

County Council

Date: Tuesday 14 October 2025
Time: 11.00 am or on the rising of the 10.00am meeting of
County Council
Venue: Council Chamber, Shire Hall

Membership

Councillor Robert Aitkenhead, Councillor Steve Albon, Councillor Michael Bannister, Councillor Jo Barker, Councillor Sarah Boad, Councillor Dale Bridgewater, Councillor Wayne Briggs, Councillor Cliff Brown, Councillor Scott Cameron, Councillor Stan Carvell, Councillor Darren Cheshire, Councillor Jonathan Chilvers, Councillor Luke Cooper, Councillor George Cowcher, Councillor James Crocker, Councillor Andy Crump, Councillor David Curtis, Councillor Yousef Dahmash, Councillor Richard Dickson, Councillor Tracey Drew, Councillor Ben Edwards, Councillor Judy Falp, Councillor Sarah Feeney, Councillor George Finch, Councillor Neil Garland, Councillor Robert Gisbourne, Councillor Dan Glover, Councillor Nigel Golby, Councillor Stuart Green, Councillor Lorraine Grocott, Councillor Edward Harris (Chair), Councillor John Holland, Councillor Rob Howard, Councillor Sam Jones, Councillor Senthil Karadiar, Councillor Dale Keeling (Vice-Chair), Councillor Christopher Kettle, Councillor Keith Kondakor, Councillor Max Langer, Councillor Jan Matecki, Councillor Jennifer McAllister, Councillor Chris Mills, Councillor Chris Morris, Councillor James Norris, Councillor Stephen Pimm, Councillor Dean Richards, Councillor Will Roberts, Councillor Kate Rolfe, Councillor Jerry Roodhouse, Councillor Nicki Scott, Councillor Stephen Shaw, Councillor Luke Shingler, Councillor Anne-Marie Sonko, Councillor Mark Stevens, Councillor John Waine, Councillor Jennifer Warren, and Councillor Adrian Warwick

Items on the agenda: -

1. General

(1) Apologies for Absence

(2) Members' Disclosures of Pecuniary and Non-pecuniary Interests

(3) Public Speaking

To note any requests to speak on any item on the agenda in accordance with the Council's Public Speaking Scheme (see note at end of the agenda frontsheet).

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

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Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. Any changes to matters registered or new matters that require to be registered must be notified to the Monitoring Officer as soon as practicable after they arise.

A member attending a meeting where a matter arises in which they have a disclosable pecuniary interest must (unless they have a dispensation):

- Declare the interest if they have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests relevant to the agenda should be declared at the commencement of the meeting.

The public reports referred to are available on the Warwickshire Web
<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

Public Speaking

Any member of the public who is resident or working in Warwickshire, or who is in receipt of services from the Council, may speak at the meeting for up to three minutes on any matter that features on the agenda for that meeting. This can be in the form of a statement or a question. If you wish to speak please notify Democratic Services in writing at least two clear working days before the meeting. You should give your name and address and the subject upon which you wish to speak. Full details of the public speaking scheme are set out in the Council's Standing Orders.

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County Council

14 October 2025

Local Government Reorganisation in Warwickshire

Recommendations

That Council:

1. Comments on the outline final proposals for unitary Local Government for Warwickshire (set out in Appendices 1 and 2) to inform the submission to Government by 28 November 2025.
2. Expresses a preference on the form of unitary Government for Warwickshire to inform Cabinet's submission of the final proposal to Government

1. Executive Summary

- 1.1 On 16th December 2024 the Government published the English Devolution White Paper setting out its ambition for both devolution and local government reform.
- 1.2 Subsequently on 5th February 2025 the Minister of State for Local Government and English Devolution wrote to the Leaders of the six Councils in Warwickshire to invite them officially to work together to develop a joint submission with proposal(s) for local government reorganisation in their area. That letter constitutes a statutory invitation which the Secretary of State for Housing, Communities and Local Government has issued in exercise of powers under Part 1 of the Local Government and Public Involvement in Health Act 2007.
- 1.3 The invitation set out guidance for the development of proposals and the criteria against which proposals will be assessed. It also included the timeline for the process, with interim plans submitted by 21st March 2025, followed by full proposals to be submitted by 28th November 2025.
- 1.4 The letter and supporting material were presented as part of a report to full Council on 18th February 2025 when the issue of unitary local government for Warwickshire was debated, [available here](#).
- 1.5 On 6th March 2025 Cabinet authorised the submission to Government of the Interim Plan for unitary local government for Warwickshire. The Interim Plan was submitted by the Government's deadline of 21st March 2025 and is available on the Council's website [available here](#). While the six councils in

Warwickshire made the submission as one, it featured two opposing proposals; that of a single unitary council and that of two unitary councils, one for the North of Warwickshire and one for the South.

- 1.6 On 3rd June 2025, all the councils in Warwickshire received the same feedback from MHCLG on the Interim Plan. That feedback is [available here](#).
- 1.7 The cross-party LGR Member Working Group was re-established in July 2025 to support the process for development of the final submission. To date, the group has met on three occasions (18th August, 9th September and 7th October) and will continue to meet beyond the Council meeting to inform the final proposal to be submitted to Government by 28th November 2025.
- 1.8 This report asks Members to consider the outline final proposals which are set out in **Appendix 1** to this report, supported by financial analysis contained in **Appendix 2**, and which are intended to form the basis of the final submission to Government. In doing so, it is important that Members;
 - Consider the proposal from a countywide perspective;
 - Evaluate which future model of local Government they consider most closely meets the Government's evaluation criteria (set out at paragraph 4.1) and;
 - Evaluate which model delivers the most sustainable model of local government for Warwickshire, its residents, communities and businesses into the future.
- 1.9 With the evidence and analysis as the foundation, the information presented to Council for debate has been prepared with a leaning towards a single unitary council for Warwickshire and includes the options appraisal and supporting financial data which forms the evidence base for this approach.
- 1.10 It is recognised that this is a significant decision for Warwickshire and that inevitably there will be strong views about which future model of local government is preferred. It is also recognised that this report contains a significant number of detailed appendices, including the strategic summary and core case (**Appendix 1**) which contain key information which members will need to consider, along with the supporting Cost/Benefit Analysis and financial evidence base at **Appendix 2**.
- 1.11 In developing the appendices to this report, officers have attempted to provide Members with the fullest information possible to ensure that the varying perspectives and considerations of both models, and their impact on the critical services that councils deliver, along with their financial impact into the future, can be taken into account as part of the debate. Inevitably the financial modelling information provided is detailed and complex, however it has been summarised in **Appendix 1** (slides 29 – 39). This highlights the key financial considerations and provides assurance and transparency as to the extent of financial analysis that has been undertaken in support of the proposals.

- 1.12 It should be understood that this report is prepared by officers on the basis of evidence and analysis. In that sense it is objective and takes no account of the preferences of political groups on Warwickshire County Council. This report provides objective, professional insight based purely on evidence in the aim of delivering due diligence. It is provided as a basis from which Members can draw their own conclusions.
- 1.13 The Council debate and decision, alongside the analysis in the appendices, will be used to produce a final submission document which will be considered for approval by Cabinet in November, prior to submission by 28th November.

2. Financial Implications

- 2.1 Local government in Warwickshire faces significant financial challenges in both the short- and medium-term. While LGR can and should help mitigate these, it cannot fully address them. Nevertheless, in that context, it is essential that Members give thorough consideration to the financial implications and risks of respective LGR proposals to ensure local government in all parts of Warwickshire is as financially resilient and sustainable as possible.
- 2.2 It is recognised that LGR for Warwickshire will have significant financial implications, both in terms of transition, implementation, transformation costs and longer-term future savings.
- 2.3 The approach taken to the financial evaluation set out at **Appendix 2** has been as follows;



Financial assessment of different LGR options

Benefits of one/two unitary councils
Implementation costs
Disaggregation costs and risks
Investment appraisal – payback



Financial sustainability and resilience of different options (balance sheet)

MTFS model, splitting funding and costs, gaps [Newton Europe]
Revenue sources/tax base (inc. fees and charges), funding reform and Business Rates Retention [Pixel Model]
Balance sheet – debt, borrowing/Capital Financing Requirement, assets, reserves, commercial, SEND deficit, Housing Revenue Account
Wider financial risks/due diligence



Council Tax harmonisation

Harmonisation approach (lowest, highest, weighted average)
Timescale (up to 7 years)
Town and Parish Councils, Rugby special expenses

- 2.4 The Newton Europe/CCN model has been developed by the County Councils' Network (CCN) in collaboration with the consultancy firm Newton Europe. The model, which has been informed by extensive consultation with stakeholders, including frontline practitioners and service users, allocates costs for children and adult social care services between different configurations of unitary council, based on costs arising in each district and borough area, and provides relevant financial insight into the funding of children's and adult social care. It has been used as an interactive model to consider the impact of different scenarios and used to inform our modelling of disaggregation of costs in two unitary scenario.
- 2.5 Whilst both models (a single unitary and a two unitary Warwickshire) will carry substantial financial implications, and challenges, the financial evaluation as set out at **Appendix 2** indicates that overall, a single unitary offers a significantly more compelling financial case than a two unitary model, with increased net benefits over time, lower transition costs, a shorter payback period and a model which will maximise the financial resilience and sustainability of Warwickshire's future local government system. Critically, modelling shows a structural deficit in a future north Warwickshire unitary as a result of disaggregation, and a corresponding surplus in South Warwickshire. This is the result of the majority of costs of social care and home to school transport being present in the north, and clearly creates a 'winner and loser' scenario. In particular, based on updated modelling and assurance of the numbers supported by PwC, a single unitary will deliver the following comparative benefits;
- 2.5.1 Three times higher recurring annual net benefits arising directly from reorganisation, a total net benefit of £18.7m per year. Over a five-year period, the total net benefit is £57.1m.
 - 2.5.2 Over a 10-year period investing in further base transformation activity could realise 50% additional benefits in a single unitary (£59.3m) post-vesting (an additional £46.7m) compared to two unitaries, rising to an additional 60% in a stretch transformation scenario (an additional £72.3m benefit).
 - 2.5.3 One-off transition costs for a single unitary are £22.3m, £8.9m (30%) lower than for two unitaries.
 - 2.5.4 There are no additional disaggregation costs (for example duplicated leadership and delivery of county wide services such as children's, adult social care, education, public health, corporate support services, and additional democratic costs of an additional council) in a single unitary scenario, whereas a two unitary scenario generates £8.6m each year in additional disaggregation costs.
 - 2.5.5 A lower payback period of 2.9 years compared to 7.7 years for two unitaries.
 - 2.5.6 Over a 5-year period would ease financial pressures across Warwickshire by £57.1m (net benefit) whereas two unitaries would

worsen the financial position by £11m in additional cost, a £68.1m lost financial opportunity.

2.6 Also of note in a two unitary scenario;

2.6.1 North Warwickshire (with a population of 52%) will be more reliant on business rates and Government grants whereas South Warwickshire (with a population of 48%) would see a heavy reliance on council tax to fund services. The Council Tax base in the north is 46% and 54% in the south.

2.6.2 Circa 60% of the cumulative Dedicated Schools Grant deficit would be allocated to the North Warwickshire unitary which would significantly impact its financial resilience and sustainability.

2.6.3 Comparing the cost allocation with the funding split shows a material funding gap in the north, and a surplus in the south due to the significantly higher proportion of costs of children's and adults' social care, Home to School transport and SEND which arise in the north of the county and exceed the split of funding we estimate the north unitary would receive.

2.6.4 In the shorter term, a North Warwickshire unitary would exist with a budget deficit from day one of the new authority requiring additional savings in the parts of the county with the highest levels of need, and significant use of available reserves which would run out by Year 3 without significant additional spending reductions on top of current savings and the benefits of LGR.

2.6.5 This would create a financial sustainability issue for the North Warwickshire unitary from the outset and a 'winner' and 'loser' between the two unitaries because the split of funding would not match costs, demand and levels of deprivation.

2.6.7 Demand and cost pressures grow faster in a South Warwickshire unitary between 2025 and 2040 compared with that of the north between 2025 and 2040. Taken in combination with higher unit costs in the south, this will create increasing financial pressures compounded by lack of scale and higher overheads of two new unitary authorities.

2.7 The final submission to Government will include the financial modelling of how new unitary government for Warwickshire would operate, including transition costs and future savings.

2.8 In terms of transition costs, it is anticipated that these would be funded from the reserves of all six councils, with the option of flexible use of capital receipts as a backstop if necessary. Whilst the collective reserves of the six councils are at a healthy, level the costs of transition to a single unitary would be lower and the impact of a two unitary model would leave the north unitary without reserves by

Year 3 without significant further spending reductions on top of current savings and the benefits of LGR.

3. Environmental Implications

- 3.1 The environmental impact of local government reorganisation will continue to be evaluated throughout the process. At this stage it has not been necessary to undertake a detailed environmental assessment. However once Government has indicated its preferred model and as we prepare for implementation, it will be an important consideration, especially in the context of considering service delivery in respect of biodiversity, nature recovery and environmental protections as well as the asset base and fleet of the six Warwickshire councils.

4. Supporting Information

- 4.1 The invitation from the Minister dated 5th February 2025 sets out the Government's criteria in evaluating proposals for local government reorganisation as follows;
1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
 2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. At the time of the letter the Government indicated a guiding population size of 500,000 or more. The Government's current position appears to be open to exceptional cases of population sizes below this guiding level provided there is a clear rationale.
 3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
 4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.
 5. New unitary structures must support devolution arrangements.
 6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.
- 4.2 An assessment of how each criterion is met is included in **Appendix 1** with reference to:
- (i) a single unitary model for Warwickshire based on the current county footprint; and
 - (ii) a two unitary model based on a North Warwickshire (Rugby, Nuneaton & Bedworth, North Warwickshire) and a South Warwickshire (Stratford and Warwick) unitary council.

It will be for the Government to decide which model of unitary local government will apply to Warwickshire. A Government decision on this is expected by Summer 2026. Government has said it will consult on its preferred option, which we expect will take place in early 2026.

- 4.3 These two models are considered to be the only viable options for Warwickshire. The analysis conducted at the Interim Plan stage concluded that a single unitary Council for Warwickshire is the model which most closely meets the Government's criteria. The further work undertaken since then to develop the final proposals has confirmed that position, and strengthened the evidence base for this, especially the financial aspects. Further detail on this is set out in **Appendix 1**.
- 4.4 The themes that were drawn out in the Interim Plan, and are being developed further for the final proposals, also reflect the following themes from the Government's English Devolution White Paper;
- i. the focus on delivering services at neighbourhood and community levels and local decision-making;
 - ii. delivering better outcomes for local residents;
 - iii. ensuring accountable local government;
 - iv. delivering efficient and sustainable local government ;
 - v. driving delivery of savings;
 - vi. driving reform of public services with a strong focus on prevention; and
 - vii. promoting economic growth and prosperity.
- 4.5 In developing the appendices which form part of this report, there has been consideration of the Government's feedback on the interim plans from Warwickshire. The Government feedback has been clear that each council can submit a single proposal for which there must be a clear single option and geography covering the whole of Warwickshire. The summary of the feedback is set out below, and includes the proposed response which will be included in the final submission;

Summary feedback	Our proposed response
All proposals whether they are at the guided level (population size of 500,000), above it, or below it, should set out the rationale for the proposed approach clearly.	In a single unitary model, the population size would be just above the guided level of 500,000 @ c632,000 growing to c716,000 by 2040
That consideration be given to the impacts for crucial services such as social care, children's services, SEND and homelessness and for wider public services including for public safety and where there is disaggregation the impact of these services and how risks can be mitigated.	In a single unitary model there would be no disaggregation impacts for crucial county council services and no risks to mitigate. There would be aggregation impacts for critical district/borough services such as housing and homelessness in both models. Disaggregation risks of a two unitary model are included in Appendix 1.
The need for effective collaboration between councils, continuing to build strong relationships and agree ways of	Collaboration has continued between all Warwickshire Councils since submission of the Interim Plans with data sharing arrangements in place, a shared data

working, including around effective data sharing	portal and regular meetings of the S151 officers and Monitoring Officers.
Final proposals to use the same assumptions and data sets or be clear where and why there is a difference	Ongoing constructive dialogue is taking place across the S151 officers which is seeking to establish a position of common assumptions and data sets with the information currently available from the initial Deloitte modelling undertaken by four DC/BCs, which we understand is currently being updated. The current financial analysis suggests the key differences between interim WCC and DC/BC modelling relate to disaggregation costs and transition costs. As yet no DC/BC financial modelling in relation to sustainability and viability is available. The final proposals will contain commentary on the position reached, and WCC modelling and assumptions will be shared.
Final proposals to set out how the data and evidence supports all the outcomes included and how well the proposals meet the assessment criteria	The options appraisal against the assessment criteria is contained at Appendix 1. The final proposals will include an options appraisal and will contain data and evidence in support of the outcomes included.
The need to consider an options appraisal that will help demonstrate how the proposed approach meets the Government's assessment criteria	The final proposals will contain an options appraisal against the Government's assessment criteria.
Helpful to outline how each option would interact with a Strategic Authority and best benefit the local community, including meeting devolution statutory tests	Appendix 1 sets out proposals in relation to Strategic Authority membership and how further devolution opportunities can be optimised to best benefit the local community.

4.6 In developing the proposals, there has been engagement with key stakeholders and public sector partners, which it is intended will continue beyond the submission date. This has enabled the proposals to take account of the wide needs and priorities of those impacted by local government reorganisation. There has been engagement with the following groups in Warwickshire to date;

- Residents
- Businesses
- Developers
- Town & Parish Councils
- The Voluntary, Community and Social Enterprise (VCSE) Sector
- Health

- Warwickshire Police and the Police and Crime Commissioner
- Further Education Providers
- Trades Unions

Further information on the engagement with these groups can be found in **Appendix 1**. In addition, a summary of the outcome of the resident engagement undertaken over the summer can be found at **Appendix 3**. Our approach to date has been to engage with residents, businesses and stakeholders about the opportunities and the challenges of local government reorganisation, and its impacts, to inform and shape our proposal. The County Council to date has not asked about or consulted on a specific option.

- 4.7 In respect of the Council's Public Sector Equality Duty under the Equality Act 2010, given that the subject matter of the report is the development of the final submission, it is considered there are no specific equalities implications arising from this report. However, an Equalities Impact Assessment has been undertaken and is an appendix to this report (**Appendix 4**). As we move to implementation following the Government's decision on which model of unitary government will apply to Warwickshire the Equalities Impact Assessment will be kept under review and updated as necessary.

5. Timescales associated with the decision and next steps

- 5.1 Following the County Council meeting, a report will be presented to Cabinet to enable the County Council's final proposals for Warwickshire to be submitted to Government by the required deadline of 28th November 2025.
- 5.2 Government has indicated that after submission, a Government-led public consultation, would be launched, expected to be in early 2026. It is expected that a decision on which proposal to implement will be announced ahead of parliamentary summer recess. Thereafter, legislation would then be prepared to allow for elections to the new unitary council(s) in May 2027. It is expected that the new council(s) would then go live ('vesting day') on 1 April 2028.

Background Papers

None

Appendices

- Appendix 1 – Strategic Summary**
- Appendix 2 – LGR in Warwickshire – Cost/Benefit Analysis**
- Appendix 3 – Resident Engagement Summary**
- Appendix 4 – Equalities Impact Assessment**

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The report was circulated to the following members prior to publication:

Local Member(s): N/a countywide matter

Other members: N/a

Appendix 1

Local Government Reorganisation Strategic Summary - Final Proposal

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Full Council – 14th October 2025



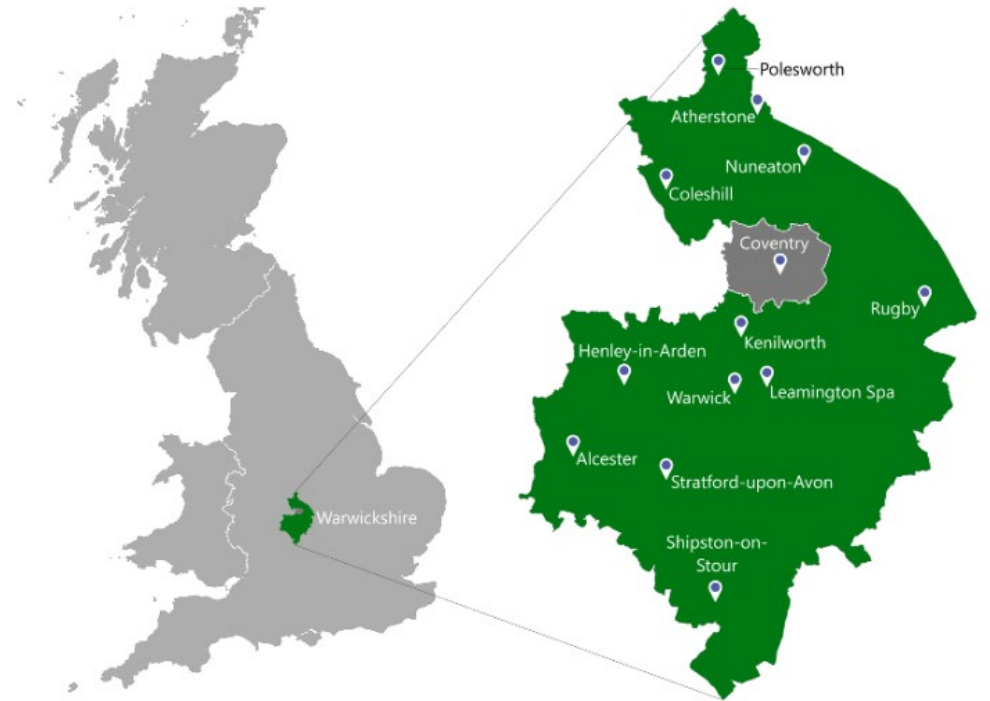
Engaging
communities



Efficient
services



Effective
Local
Government





This document sets out the proposal for a single Warwickshire Council as part of Local Government Reorganisation. Subject to comment, the content will be taken forward into the final submission to government.

Section 1: Vision, opportunity and outcomes

- Welcome to Warwickshire
- The case for change
- What Warwickshire residents say
- Engagement with stakeholders
- The vision and opportunity for Warwickshire
- The outcomes
- The 'ask 'of Government

Section 2: Options appraisal and the preferred option

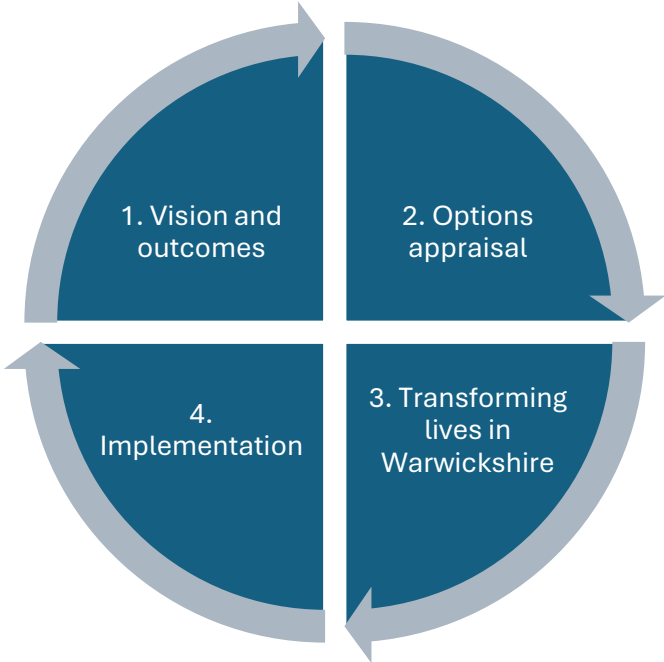
- Options appraisal
- The financial case
- The preferred option

Section 3: Transforming lives in Warwickshire through the new Council

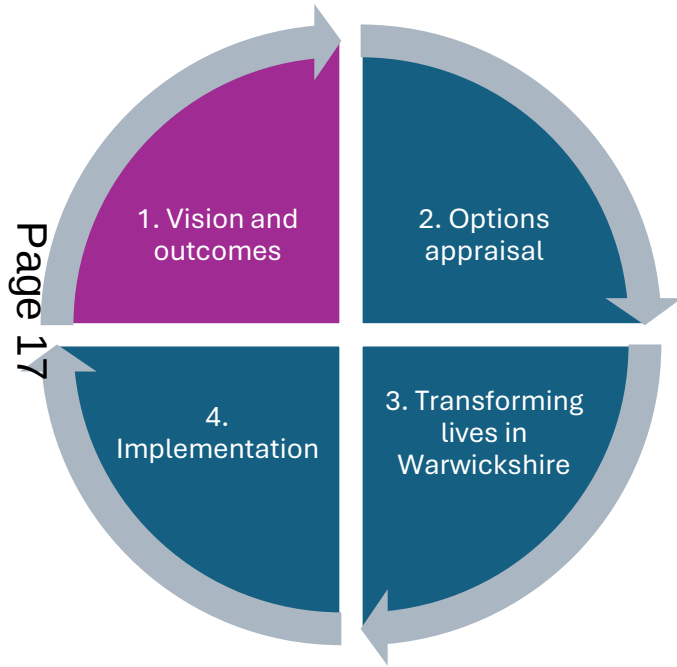
- The Target Operating Model
- Public Service Reform
- Community governance
- Devolution journey

Section 4 – Implementing the new council

- Implementation planning & timelines
- Supporting evidence and appendices



Section 1: Vision, opportunity and outcomes



This sections sets out the background to Local Government Reorganisation in Warwickshire, its potential impacts and the specific 'asks' we will put to Government.

Sections:

- Welcome to Warwickshire
- The case for change
- What Warwickshire residents say
- Engagement with stakeholders
- The vision and opportunity for Warwickshire
- The outcomes
- The 'ask 'of Government

Welcome to Warwickshire – History makers

Warwickshire is a well-connected county with a mix of thriving towns and rural communities.

Home to literary greats, iconic heritage, and a world-famous sporting legacy, Warwickshire makes a major contribution to the nation's cultural identity.

Page 18 Its towns and villages each have their own unique story, proud of their history while also looking to the future.

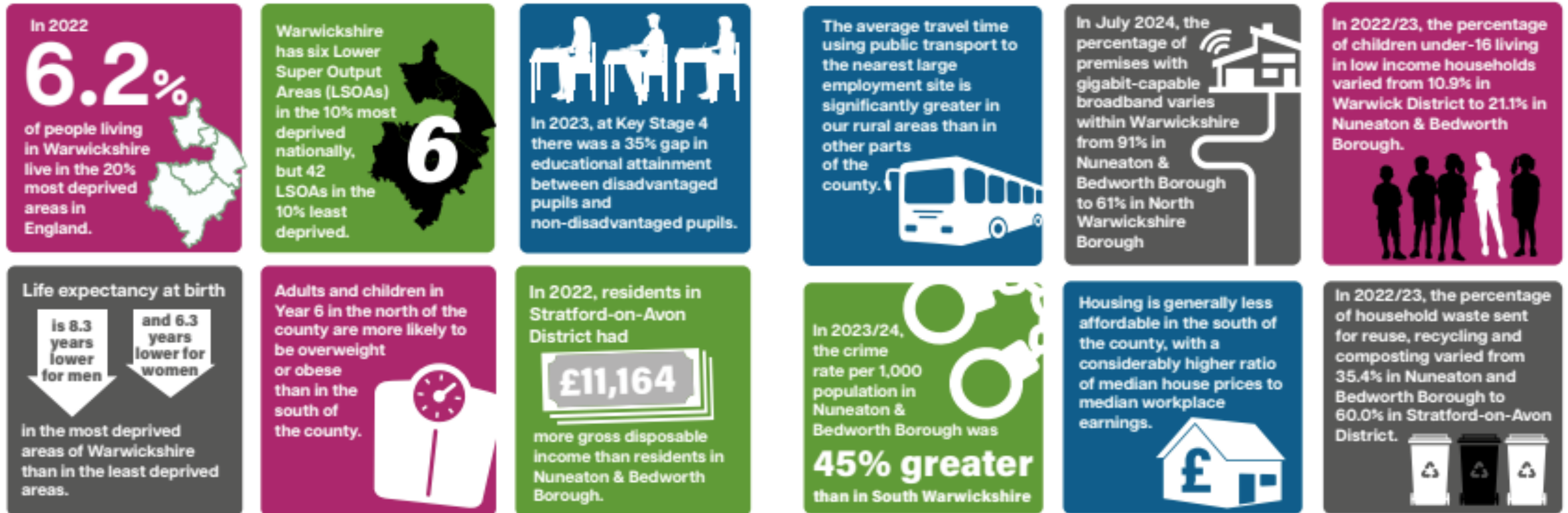
The County's economy is dynamic and diverse, with established links to world-class universities.

Warwickshire is among the most attractive destinations for foreign direct investment (FDI) in the UK and home to world class brands, companies and supply chains.

Warwickshire is a county with a celebrated history and a bright and bold future.



Whilst Warwickshire's overall outcomes are strong, for some groups of people, and some places, there are significant disparities which limit people's opportunities, aspiration and social mobility.



The local government landscape in Warwickshire

Democratic representation and responsibilities for delivering local services are split across numerous tiers:

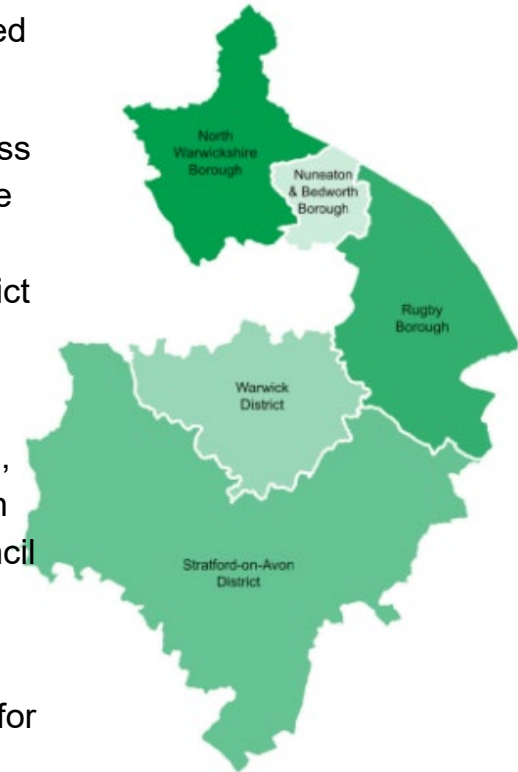
Town and Parish Councils - maintain local amenities such as recreational areas, footpaths and cemeteries, organise events or operate public conveniences. Most of Warwickshire, except in Nuneaton and Bedworth Borough and Rugby town, is covered by this tier; there are 221 Town & Parish councils in Warwickshire.

District and Borough Councils – deliver services such as housing, environmental health, planning, waste collection, business support, licensing and elections, as well as managing leisure amenities such as some parks and leisure centres. Warwickshire has five district/borough councils, which collectively cover the whole county. They are Nuneaton and Bedworth Borough Council, North Warwickshire Borough Council, Rugby Borough Council, Stratford-on-Avon District Council, and Warwick District Council.

County Council - Warwickshire County Council delivers strategic services at scale such as education, adult skills, economic growth, adults and children's social care, highways and transport, waste disposal, libraries, registration services, public health, fire and rescue and trading services, and covers all of Warwickshire, working in close partnership with the district and borough councils and other public, voluntary sector and business partners across the county, sub-region and region. The County Council also administers the £3bn Warwickshire Pension Fund on behalf of 58 employers.

West Midlands Combined Authority – All six Warwickshire councils are non-constituent members of the West Midlands Combined Authority (WMCA); the WMCA is an authority, with a Mayor, established to improve the region's economy allowing for strategic collaboration on areas e.g. transport, skills and economic development, and access to funding.

Wider devolution - The County Council is one of three counties to have secured a Level 2 devolution deal with Government, with devolved powers including adult skills and compulsory purchasing powers.



How the current system could be improved?

Duplication and overlap across the two tiers of local government increases costs, creates inefficiencies and makes it more difficult to deliver key outcomes.

Complexity in the system creates inefficiencies in the use of resources and leads to slower decision-making and delivery, making it harder to drive improvement.

Multiple layers of government are confusing for residents, who often struggle to understand which council is responsible for which service. This undermines public accountability and transparency in decision-making.

Having split responsibilities creates barriers to strategic planning, joined up service delivery and effective partnerships with wider public sector partners.

These themes are evident in the feedback received from the public engagement undertaken over Summer 2025.

We have undertaken engagement with the public via an open survey and a specific exercise with our standing resident panel, the Voice of Warwickshire. This sought to understand people's priorities for LGR and also their concerns, to shape the development of our proposals rather than consulting on a specific option.

What do you think are the benefits of bringing all your council services together under one or more unitary councils for Warwickshire in the future?

Themes	Sub-themes
Cost efficiency and savings	Saving money, reducing duplication, economies of scale, streamlined staffing
Simplification and clarity	Easier to understand who does what, reduced confusion, single point of contact
Joined-up services	Integration across departments (e.g. housing, social care, health, planning).
Consistency and equity	Fair and consistent service delivery across Warwickshire
Strategic planning	Better coordination, more effective long-term planning, unified policies
Accountability and transparency	Clearer lines of responsibility, which improve accountability
Public engagement	Making it easier for people to access services and contact their local councillor
Infrastructure and resources	Better use of buildings, staff, and technology



What, if anything, concerns you about bringing all your council services together under one or more unitary councils for Warwickshire in the future?

Main theme	Sub-themes
Governance and accountability	Concerns about decision-making being too centralised; reduced democratic representation; lack of transparency.
Loss of local control and identity	Fear of losing local knowledge and representation; disconnection from communities; erosion of local identity and uniqueness. Perceived inequality between north and south Warwickshire; fear of resource allocation favouring one part of the county over the other; cultural and demographic differences
Service quality and responsiveness	Decline in service standards; slower response times; reduced tailoring of services to local needs
Funding distribution	Uneven allocation of budgets; concerns about financial fairness; risk of smaller areas being underfunded
Job loss and staff morale	Redundancies and restructuring; loss of experienced staff; impact on morale and uncertainty
Accessibility and communication	Difficulty contacting council services; remote decision-makers; lack of face-to-face support
Efficiency and cost savings	Doubts about promised savings; concerns about increased bureaucracy; fear of wasted public funds
Integration and transition challenges	Disruption during reorganisation; loss of institutional knowledge; poor change management
Planning and development	Loss of local input in planning decisions; risk of inappropriate development; reduced consultation with communities.

Local Government Reorganisation : Stakeholder engagement

We have engaged key stakeholders including public sector partners, business groups and the voluntary, community and social enterprise sector. This sought to understand people's priorities for LGR and also their concerns, to shape the development of our proposals rather than consulting on a specific option.

Group	Nature of engagement and key themes
Voluntary & Community Sector	- Bilateral conversations with groups and wider workshop, with ongoing future engagement - Local engagement essential especially with smaller grass-roots organisations; building on community strength; importance of informed engagement as part of implementation process.
Town & Parish Councils	- Regular engagement with Town and Parish Councils supported by WALC + with a smaller working group - The creation of Local Committees and community networks, the parishing of currently non-parished areas, the options for devolved services and assets and how the funding would work
Colleges & Further Education Providers	- Workshop - Looking for opportunities to prioritise social mobility; existing data infrastructure and systems are fragmented and hinder progress; strategic decisions need to be locally informed.
Businesses & Large-Scale Employers	- Initial workshop held by the Chamber of Commerce with the Coventry & Warwickshire Growth Hub and Federation of Small Businesses. Universities attended. Commitment to create a forum to regularly engage. - Challenges around accessing funding and supply costs.
Warwickshire Police - Chief Constable & Police and Crime Commissioner	- Bilateral discussions - Impact of local government reorganisation for community safety and supporting community cohesion.
Anchor Alliance including Coventry City Council, Universities and Hospital Trusts	- Bilateral discussions - Public Service Reform and discussing innovative solutions for collaborating across the system. Focus on short and long term opportunities for Public Service Reform.
Health partners including Integrated Care Board and Hospital Trusts	- Bilateral discussions. - Impact of local government reorganisation on the health system; how can local government reorganisation support existing Health & Wellbeing priorities; need to minimise disruption to partnerships and critical service delivery.
Trades unions	- Ongoing bilateral engagement. - Impacts of local government reorganisation for workforce.
District and Borough Councils	Collective information sharing including a data repository; Leader/Chief Executive meetings; monitoring officer meetings and S151 officer finance meetings.

Warwickshire Communities
Community Powered, Public Service Reform

A single council creates a joined-up public service experience. Residents will benefit from coordinated support across health, education, housing, and policing, with preventative services embedded to help people earlier and more effectively - reducing crisis interventions and improving long-term wellbeing.

Involve communities in decision making

Work alongside communities to take practical action

Connected Communities

Integrated Services

Enable communities to lead

Prevention First

Warwickshire Council
Local Government Reorganisation

A single council means residents will experience simpler, clearer access to services, with less bureaucracy and faster responses. By removing duplication, more funding can be directed to frontline services that matter most – like social care, housing, and community safety.

Clear accountability

Strong local voice

Confident communities

High trust

Working together

Smarter use of property

Economies of scale

Financial resilience

Strategic influence

Simple, joined-up service offer

Value for money

Locally designed solutions

Strong communities

Places to be proud of

Innovative services

Efficient Effective Engaged

Warwickshire Places
Devolution

A single council strengthens Warwickshire's voice in national and regional decision-making, unlocking greater investment and giving Warwickshire direct influence over decisions on housing, transport, skills, and green infrastructure. This means more jobs, better connectivity, and greater opportunities by embedding place based working tailored to meet different needs of different places.

Access to jobs

Healthy living

Access to homes

Opportunities to learn

Growing up safely

Getting around

Environment

Places to be proud of



Engaged Communities

Local presence, local pride, local leadership

- **Clear accountability:** Simple, transparent and clear decision-making processes which support and represent local needs and remove layers of duplicated bureaucracy.
- **Strong local voice:** Bringing decisions about local issues closer to residents, so they can inform and influence the things which are important to them and positively impact their neighbourhoods.
- **High trust:** Providing high quality & accessible services, demonstrating strong commitment to acting on community feedback and building trust and confidence in the council.
- **Confident communities:** Building on the successes of Community Powered Warwickshire, a new model would move power and trust towards local people, enabling them to play a more active role in shaping their neighbourhood.
- **Working together:** Collaborating with communities so that they can help shape local services and bring new ideas to life



Efficient services

Value for money, high performing service delivery

- **Strategic influence:** Service delivery guided by clear and consistent strategy, informed by intelligence and mature data analytics which help support a preventative public service approach.
- **Simple, joined-up service offer:** Linking services to work better by removing overlap and duplication of effort and offering a consistent and integrated front door via multiple access points.
- **Economies of scale:** Using economies of scale to negotiate better contracts, enabling better value for money and taking longer-term strategic commissioning and procurement opportunities.
- **Smarter use of property:** Ensuring best use of resources by taking a strategic approach to managing public buildings, land and strategic infrastructure enabling rationalisation, repurposing assets and pursuit of regeneration opportunities through Warwickshire Property and Development Group.
- **Financial resilience:** A Council that can provide services equitably in line with need to all parts of Warwickshire by pooling resource and risk on a wider scale, with the financial resilience to stand up to long-term challenges and remain financially sustainable.



Effective local government

Outcomes and impact for residents

- **Places to be proud of:** Communities, places and spaces that residents can be proud of and a county that punches above its weight on the national and global stages.
- **Value for money:** Bringing services into a single council and realising the opportunities of Public Service Reform will drive a more effective approach to prevention, improving people's lives and reducing long-term costs.
- **Better outcomes:** Accelerating economic growth to increase opportunities, skills and quality jobs, supply of housing and infrastructure, leading to reduced health, education/skill and wealth inequalities.
- **Strong communities:** Communities where people feel safe and secure and are genuinely engaged in improving their places.
- **Innovative services:** Residents and businesses across the county experience consistently high standards of service; maximising the benefits of digital innovation/AI to tailor services to different places across Warwickshire.
- **Locally designed solutions:** Resident access to tailored service delivered through multiple access points, in person on the high street across the county, by phone and online.



Local Government Reorganisation offers a once-in-a-generation opportunity to change how public service organisations across Warwickshire work together.

The new council will – working with partners - lead this reform of public services, to improve the lives of residents, strengthen communities and support them to thrive, build a stronger economy and support businesses to grow.



Connection with Communities

Public services will reflect the unique strengths and needs of Warwickshire’s different communities. Residents will be involved in shaping and delivering the services that matter to them.



Integration by default

Services will work together to create smooth, joined-up experiences for those needing support, ensuring residents receive the right help at the right time in the way that works best for them.



Prevention First

Working upstream to provide early support and moving away from costly crisis intervention. Understanding the root causes of problems, removing waste and duplication and ensuring residents receive timely, effective support that improves outcomes.

Online access to services: A single, easy-to-use website will help residents access services, bookings, appointments and transactions, making services more responsive and easier to use.

One-stop shops: Services will be brought together in town centre locations across the county in community hubs such as libraries, leisure centres and health on the high street hubs, making it easier for people to get joined-up support in one visit.

Residents influencing decisions: People will have meaningful opportunities to shape services and decisions that affect their lives and communities.

Single view of the resident: secure, effective information sharing between public services will improve coordination, reduce duplication and provide more seamless support.

People-centred outcomes: more teams will shift to relational, place-based approaches where there are clear benefits of this approach. Teams and commissioners will innovate and tailor solutions to meet local needs, refocusing commissioning to deliver outcomes and measure what matters most to residents.

Joined Up leadership: public sector organisations across Warwickshire will work together, sharing goals and responsibilities to improve services, deliver better outcomes for people and make better use of public money

Predictive analytics: Using AI to identify emerging needs to target support and preventative services will reduce crisis intervention.

Shared goals and resources: A clearer understanding of costs and benefits across the system of public service delivery will improve the long-term value and impact of the Warwickshire pound.

Tailored, community-led solutions: Those working closely with residents will tailor solutions, enabling a deeper understanding of the root causes of complex challenges and more effective preventative approaches.



Engaged Communities

Local presence, local pride, local leadership

Stronger local voice: Residents will have more say in decisions that affect their area, with powers held closer to communities.

Visible leadership: A directly elected mayor provides clear accountability and a recognisable figurehead for Warwickshire.

Innovating locally: Access to trial schemes and pilots to test new innovative ideas that are co-designed with communities to solve local challenges e.g. community-led health initiatives or youth employment pilots.

Improved community participation: More opportunities for residents to shape services and participate in decision-making through local forums and digital tools.



Efficient services

Value for money, high performing service delivery

Flexible responses to local needs: With greater control, Warwickshire can adapt quickly to emerging issues like economic shifts, population changes, or environmental challenges.

Joined-up public services: Devolution enables better coordination across health, transport, education, and housing, reducing duplication.

Long-term, flexible funding: Access to integrated funding settlement remove barriers and allows for flexibility in targeting funding to meet local needs and priorities.

Focused investment in what matters most: Devolution gives Warwickshire the power to direct funding and resources towards local priorities - such as improving transport links, increasing affordable housing, and boosting skills and training - rather than relying on national one-size-fits-all policies.



Effective local government

Outcomes and impact for residents

Strong partnerships and influence: Unitary local government in Warwickshire could more effectively collaborate with Homes England, Great British Railways, and UK Research & Innovation to attract investment and shape national policy.

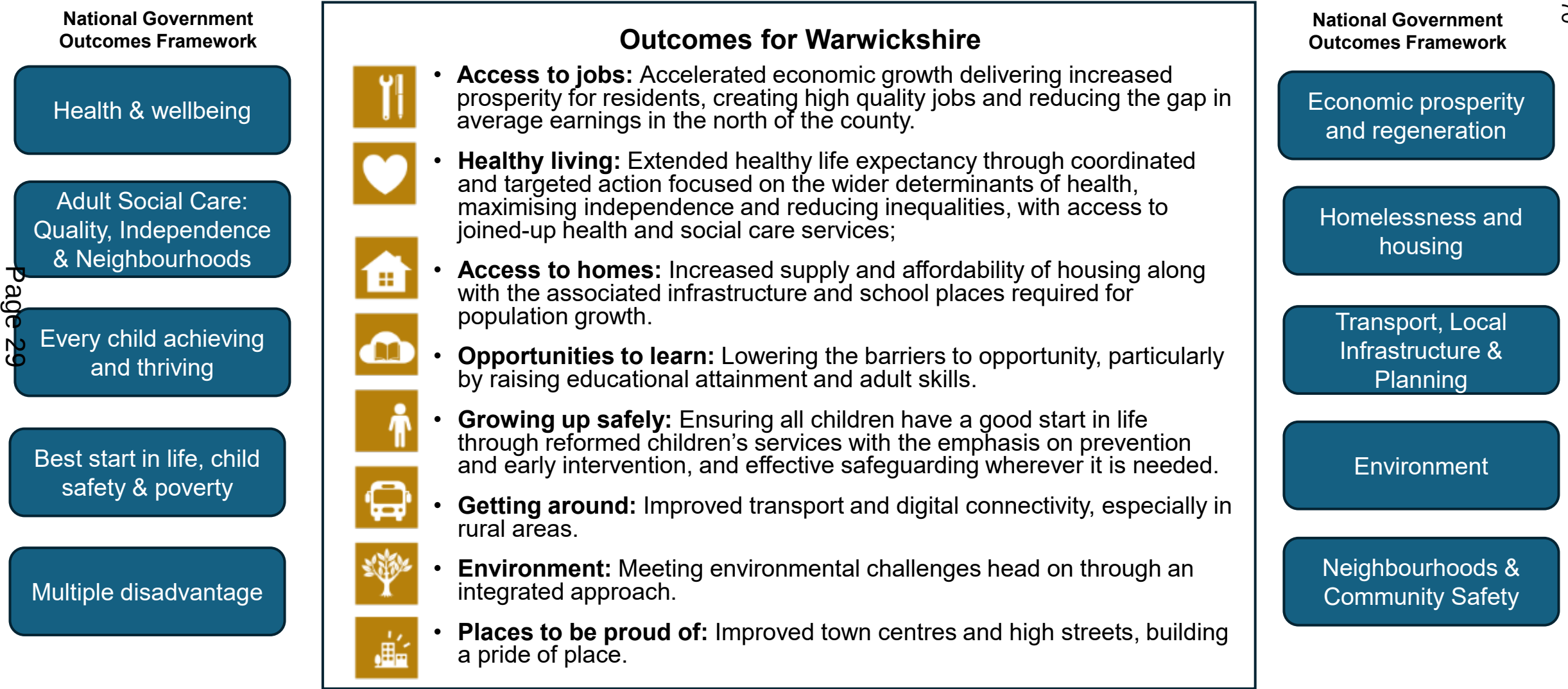
Strategic powers to shape place: Control over spatial planning, housing delivery, bus franchising and rail coordination ensures new homes are built in the right places, connected by reliable public transport, and supported by local job opportunities.

Championing local priorities at a national level: Devolution will improve Warwickshire's ability to influence national policy and funding decisions.

Smarter use of data: Building on the data integration gains from local government reorganisation, devolution expands access to shared data infrastructure and analytics across the wider region.



The proposed outcomes for Warwickshire are set out below, aligned to the Government’s draft Local Government Outcomes Framework.



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The Warwickshire Council is the recommended model which meets the Government's six criteria.

1

A single unitary is the only model that can deliver genuine local presence AND offer the scale and efficiency needed to be financially sustainable into the future. It enables coherent planning, strengthens strategic partnerships, and improves accountability through unified leadership and delivery.

2

A single unitary offers the optimal scale for financial resilience, operational efficiency, and service sustainability. With a population now of c.630,000, it provides financial sustainability, maximises long-term savings achieved with lower transition costs, and so creates greater capacity to protect and enhance service delivery whilst avoiding the underfunding of the north to meet prevailing need in a two unitary scenario.

3

A single unitary delivers the platform for consistent, high-quality, and sustainable public service delivery. It is the only model that ensures financial viability across the whole county—particularly in the north—by enabling services to be maintained and improved in areas with the greatest need. It supports public service reform while avoiding the significant risks, costs, and disruption associated with disaggregating countywide services.

4

A single unitary preserves and promotes a unified Warwickshire identity, reinforcing the county's strong historic heritage, cultural cohesion, and sense of place, building on a community powered approach to ensure that local voices are heard & influence decision making.

5

A single unitary provides the scale, coherence, and leadership capacity needed to take-on and utilise devolved powers effectively. It offers a singular strategic voice for Warwickshire with regional partners and Strategic Authority arrangements, strengthening Warwickshire's direct influence and ability to deliver on local and national priorities.

6

A single unitary will provide a consistent, countywide framework for community engagement and neighbourhood empowerment. It enables integrated, community-focused service delivery and aligns effectively with key partners to support joint working. Done well, it will ensure all communities have meaningful opportunities to shape local services and decisions.



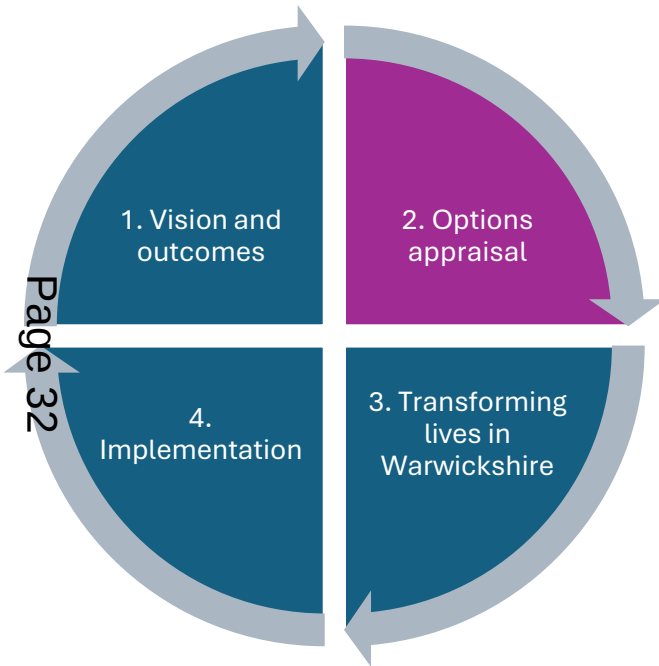
This proposal will deliver on the Government's priorities and transform lives in Warwickshire in the following areas:

- ✓ Driving economic growth
- ✓ Meeting housing needs
- ✓ Public Service Reform
- ✓ Removing barriers to opportunity
- ✓ Improving community safety
- ✓ Devolution of decision making
- ✓ Meeting the national outcomes framework

Request of government:

1. Government decides to create a single unitary authority for Warwickshire, to be called Warwickshire Council.
2. Warwickshire Council is afforded continuing authority status, to ease transition and minimise cost to the public.
3. The electoral arrangements for the Warwickshire Council uses the County Council's divisional boundaries and doubles up the number of elected members to 114 on an interim basis for transition, followed closely by a full Local Government Boundary Commission Review.
4. Warwickshire Council has elections on a four-year cycle.
5. Opportunities for devolution are maximised through the admission of Warwickshire Council to full membership of the West Midlands Combined Authority at the earliest opportunity.

Section 2: Options appraisal and preferred model



This section sets out our assessment of both single and two unitary models against the Government's criteria.

It includes the detailed analysis of the financial case and the impact of disaggregation.

Sections:

- Options appraisal against Government set criteria
- Additional considerations:
 - The financial case
 - Impact of disaggregation
- Summary case and preferred option



Option 1 – Single unitary		Option 2 – North-South unitaries	
			
Population (2024): 632,207		Population (2024):	Population (2040)*:
Population (2040)*: 716,378		Northern Unitary: 331,060 (52%) Southern Unitary: 301,147(48%)	Northern Unitary: 366,086 (51%) Southern Unitary: 350,293 (49%)
Alignment with current council boundaries: Whole County Area Expanding Town and Parish Councils		Alignment with current council boundaries: Northern Unitary: North Warwickshire, Nuneaton and Bedworth and Rugby Southern Unitary: Warwick and Stratford-on-Avon Expanding Town and Parish Councils	

*Mid-2022 based population projections to 2040 (ONS 2025)

Criteria 1-3 – this is where the two models differ the most and cover scale, financial benefit and disaggregation.

Criteria 4 -6 score similar for both models as both should deliver real benefit.

	Criteria	Key elements	Option A One UA	Option B Two UAs
	1 - Sensible single tier of local government	Establishes a single tier of Local Government for the whole of the area concerned	High	Medium
		Sensible economic breakdown: with a tax base which does not create undue inequalities	High	Medium
		Sensible geographic breakdown: which will help increase housing supply and meet local needs	High	Medium
	2 - Right sized local government	A population of 500,000 or more (unless this figure does not make sense for an area)	High	Low
		Supports efficiencies and value for money for council taxpayers	High	Low
		Improves capacity and supports the council to withstand financial shocks	High	Low
		Manageable transition costs	High	Low
	3 - High quality, sustainable services	Improves local government and service delivery	High	High
		Avoids unnecessary service fragmentation / disaggregation	High	Low
		Opportunity for public service reform including where this will lead to improved value for money	High	Medium
		Improves delivery of, or mitigates risk of, negative impact on crucial services	High	Low
	4 - Meets local needs	Meets local needs and is informed by local views	High	High
		Improves / mitigates risk to issues of local identity, cultural and historic importance	Medium	High
	5 - Supports devolution arrangements	Helps to support devolution arrangements / unlock devolution	High	Medium
		Sensible population size ratios between local authorities and any strategic authority	High	High
	6 - Local engagement & empowerment	Enables stronger community engagement	High	High
		Delivers genuine opportunities for neighbourhood empowerment	High	High

Criteria 1 - A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government

MHGLG guidance

a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.

b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.

c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.

d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

Option 1 – Single unitary	Option 2 – Two unitary model
Strengths ✓ Preserves and enhances the functional economic geography of Coventry and Warwickshire which is critical to future economic growth for the county and, enables a more coherent and integrated approach to economic development, inward investment, and strategic infrastructure planning. ✓ Facilitates the creation of a single, cohesive Local Plan, streamlining spatial planning and enabling more effective alignment with housing, transport, and environmental strategies. ✓ Preserves county footprint which avoids imbalance in population size, council tax bases and service demands, which would create an undue advantage for one new unitary relative to the other. Weaknesses ✗ Risk around local engagement and buy-in; operating model to address and mitigate the perception of being too large or remote.	Strengths ✓ Reduces the number of Local Plans from five to two, offering a degree of streamlining in planning policy and development control functions. ✓ There are differences in the economic profiles and strengths of two unitaries but also within the proposed geographies. Weaknesses ✗ Creates significant imbalance in population sizes, council tax bases, and service demands between the two authorities, risks undue disadvantage to the north unitary and financial sustainability and resilience risks ✗ Risks disrupting and complicating the successful partnership working across the functional economic geography of Coventry and Warwickshire. ✗ Transition complexity and scale provides significant risk to service delivery. ✗ Disaggregation of ownership of Warwickshire Property Development Group may complicate creation of new homes.
High	Medium



MHGLG guidance

- a) As a guiding principle, new councils should aim for a population of 500,000 or more.
- b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
- c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

Option 1 – Single unitary

Strengths

- ✓ Population of c,630,000 meets the Government's guiding population size and makes sense for the area, providing a strong foundation for financial sustainability and operational resilience.
- ✓ Greater financial resilience through a broader and more balanced council tax and business rates base than a two unitary model, enabling the spread of financial risk across a stronger balance sheet and avoiding imbalance between funding and costs in the north unitary which would impact service levels in the parts of Warwickshire with the highest needs and levels of deprivation.
- ✓ Enhanced financial sustainability and resilience flows from higher savings and lower implementation costs compared to a two-unitary model, due to synergies, the avoidance of service disaggregation costs/risks, duplication/waste and simpler, quicker transition.
- ✓ Implementation should improve realisation of benefits by avoiding disaggregation of large volume/cost countywide services and by aggregating district/borough functions to a single council
- ✓ Significant efficiency savings achievable through streamlined governance, integrated service delivery, and economies of scale across all major functions
- ✓ Financial benefits of single unitary provide best means to protect and enhance universal services, such as libraries, youth services, and community development, as well as investing in transformation opportunities by reducing duplication and unlocking resources.
- ✓ Shorter payback period, with strong net financial benefits projected within five years and recurring annually thereafter, supporting long-term reinvestment in frontline services.

Weaknesses

- ✗ One unitary authority increases the risk of interruption to service delivery if implementation/ change isn't managed effectively due to the size of the authority and complexity of aggregation of five sets of district and borough functions into a single council and integrating systems.

High



Criteria 2 - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks

MHGLG guidance

- a) As a guiding principle, new councils should aim for a population of 500,000 or more.
- b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
- c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

Option 2 – Two unitary model

Strengths

- ✓ Savings are achievable, particularly through rationalisation of district-level functions and overheads, but these are significantly lower than a single unitary due to the costs of disaggregating major countywide service areas.

Weaknesses

- ✗ Neither North (331,060) nor South (301,147) Warwickshire meets the 500,000 guiding population size now or in the medium-term (to 2040). This creates concerns about long-term financial resilience and capacity.
- ✗ No obvious reasons why Warwickshire is an exceptional case for which the significant risks and costs of disaggregation justify two unitaries.
- ✗ Population projections suggest long-term population differences, which would exacerbate disparities in service demand and financial sustainability over time.
- ✗ Lower net benefits (overall savings and higher implementation costs) due to duplication of services and overheads and the need to disaggregate countywide services such as adult and children's social care, Public Health, education and highways, as well as aggregation of district/borough functions into two councils. Additional costs incurred in relation to establishment of WFRA as a separate combined authority
- ✗ Increased financial pressure on non-statutory services, as higher transition and operating costs may necessitate reductions in discretionary spending and constrain future investment in transformation opportunities.
- ✗ Fragmentation of business rates base and economic development functions likely to weaken the county and sub-regional strategic approach to and influence over economic growth, skills and investment.
- ✗ Population distribution in relation to demand does not improve either the council tax base or projected split of funding between two unitaries, creating financial viability questions for the North Warwickshire council which has a higher share of service demand/cost than its share of funding and population in the highest cost service areas. In the longer-term, pressure on Council Tax and more rapid increases in demand/cost for social care and education services in the south will create growing financial pressures compounded by the absence of scale.
- ✗ ICT services and infrastructure would be duplicated across two newly formed unitary authorities. Undertaking the aggregation and disaggregation of existing systems twice would be highly complex and costly, requiring significant duplicated investment in two sets of change management, ICT infrastructure, and workforce development activity rather than one set with a single unitary.

Low



MHCLG Guidance

- a) Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.
- b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
- c) Consideration should be given to the impacts for crucial services such as social care, children’s services, SEND and homelessness, and for wider public services including for public safety.

Option 1 – Single unitary

Strengths

- ✓ Enhanced purchasing power and economies of scale enables benefits and efficiencies in commissioning, procurement and market management supporting more effective use of resources and improved outcomes for residents.
- ✓ Streamlined organisational structures reduce overhead costs and eliminate duplication, releasing capacity for frontline delivery. This supports more agile and responsive service management, improving efficiency and accountability.
- ✓ Integrated delivery models building on service synergies across areas and supporting early intervention and prevention, reducing long-term demand and improving sustainability and enabling approaches that reflect local needs and priorities.
- ✓ Economies of scale achieved across core services and support functions enabling higher quality services, reduced overhead costs and improved resilience. Shared systems and processes, and simpler transition enhance performance and planning.
- ✓ A consistent and integrated front door improves the resident experience, reducing failure demand and enhancing access to services and delivering greater simplicity, accountability and transparency for residents, businesses and communities.
- ✓ Strengthens strategic partnerships by aligning with the operational footprints of key partners such as Warwickshire Police, the NHS and Integrated Care System, sub-regional economic bodies and other anchor institutions such as our universities.
- ✓ Avoids fragmentation of crucial countywide services, preserving strategic oversight and ensuring continuity in areas such as education/SEND, highways, public health and social care (adults and children’s).
- ✓ Provides a unified voice as system leader for Public Service Reform in Warwickshire, particularly in the Coventry and Warwickshire sub-region.

Weaknesses

- ✗ Potential for greater disruption risks in services being aggregated to a single council in areas such as homelessness and planning if implementation not delivered well.
- ✗ Transition complexity and scale of organisational change may lead to short-term disruption in service continuity, staff retention, and stakeholder confidence.
- ✗ Potential to lose the hyper-local focus district and borough councils bring to local partnerships and voluntary sector relationships.

High



MHCLG Guidance

- a) Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.
- b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
- c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

Criteria 3 - Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens

Option 2 – Two unitary model

- Strengths**
- ✓ Increased service synergies can support early intervention and prevention, allowing each authority to tailor approaches to local needs and priorities.
 - ✓ Reduction in overheads and duplication compared to the existing two-tier model but there will be less resource to invest in services due to duplicated costs.
 - ✓ It will simplify access for residents, improving clarity of service responsibility and enhancing user experience.
 - ✓ Differing approaches to service delivery between the two authorities allows for greater tailoring of service standards to better reflect the distinct demographic and socio-economic profiles of each area.
- Weaknesses**
- ✗ Fragmented delivery across key countywide services such as Adult and Children's Social Care, Education, SEND, Highways, Public Health risks inconsistency and reduced strategic coherence.
 - ✗ Disaggregation could complicate the operation and impact of Warwickshire Property and Development Group
 - ✗ Two separate, complex transitions may significantly disrupt service delivery and quality - likely to impact services for several years.
 - ✗ Disaggregation would have negative impacts on workforce capacity and capability, disparity of service provision/quality, market and financial impacts including increased costs, loss of purchasing power and leverage, loss of financial scale, and higher transitional costs, meaning less resource to invest in prevention and Public Service Reform in Warwickshire.
 - ✗ Two authorities would require the duplication of statutory posts, and many management, specialist and joint roles across services as well as statutory boards impacting on both council/s and partners. This would present recruitment & retention challenges and have financial impacts.
 - ✗ Transitional complexity of delivering both disaggregation and aggregation of services effectively from day one – risks disrupting service delivery and impacting continuity of provision for residents.
 - ✗ Trust models, partnerships and shared service arrangements for countywide services such as children's and adults reduce local authority financial control, weaken service synergy, and introduce complex governance structures that may hinder effective decision-making and are at greater risk of future failure.
 - ✗ Higher service demand in a north unitary, coupled with a lower tax base, is likely to create capacity and resourcing challenges and lack of flexibility and resilience to respond to demand-led pressures, impacting service levels in the places with the highest need. Similarly, projections of rapidly increasing demand in the south by 2040 may impact service delivery and financial sustainability in the longer-term given that unit costs are higher in the south.
 - ✗ Weakened expertise of specialist teams and corporate support services if teams are split across two authorities, reducing resilience and capacity to deliver complex services and undermining economies of scale.
 - ✗ Fragmentation of system leadership for Public Service Reform in Warwickshire.

Medium



Criteria 4 - Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views

MHCLG Guidance

- a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
- b) Proposals should consider issues of local identity and cultural and historic importance.
- c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

Option 1 – Single unitary	Option 2 – Two unitary model
Strengths ✓ A single unitary model preserves and promotes a unified Warwickshire identity, reinforcing the county’s shared heritage, historical importance, cultural cohesion, and sense of place. ✓ Through the new operating model the Warwickshire Council can address the concerns raised through the public engagement feedback. Weaknesses ✗ The larger geographic and population footprint of a single authority may risk diluting the distinct cultural and social identities of individual towns and districts if the council and its operating arrangements are poorly designed. ✗ Some residents and stakeholders may perceive the council as too remote, impacting trust and confidence in the council if it is not well-designed and locally connected in different places.	Strengths ✓ This model may better reflect some of the distinct local identities, traditions, and historical affiliations that exist across different parts of Warwickshire. Weaknesses ✗ There is a risk that dividing the county into two authorities could fragment Warwickshire’s overarching cultural and community identity, potentially weakening the shared sense of place that underpins county-wide initiatives and partnerships. ✗ Risk from oversimplifying north-south boundaries. Within two unitaries there are still distinct identities which could be diluted within this model.
Medium	Medium

Criteria 5 - New unitary arrangements must support devolution arrangements

MHCLG Guidance

a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA Mayor.

b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.

c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

Option 1 – Single unitary

Strengths

- ✓ Proposal allows continued alignment Warwickshire's governance footprint with the Coventry & Warwickshire functional economic geography and builds on existing relationship with the West Midlands Combined Authority (WMCA).
- ✓ A single unitary authority provides a unified strategic voice for Warwickshire within a strategic authority, strengthening its direct influence in regional decision-making forums and improving its ability to shape and benefit from devolved powers.
- ✓ The strategic scale and capacity of a county-wide authority is better suited to absorbing and deploying devolved powers, particularly in areas such as transport, skills, housing, and economic development.
- ✓ The model supports the Government's ambition for stronger, more accountable local leadership, with a clear mandate and capacity to negotiate and deliver devolution deals that reflect Warwickshire's priorities.
- ✓ Best option to build on existing Level 2 Devolution Deal and secure enhanced devolution benefits for the whole of Warwickshire, including up to Level 4 powers if WMCA membership is pursued.

Weaknesses

- ✗ Risk of single unitary authority being seen as too large within a combined authority compared to the size of other constituent members.
- ✗ Perception that Warwickshire's rurality is a poor fit with the WMCA metropolitan areas.

High

Option 2 – Two unitary model

Strengths

- ✓ This model allows each unitary authority to tailor its approach to sub-regional priorities and partnerships, potentially enabling locally responsive devolution arrangements.
- ✓ North and south unitaries would have similar population size to other members of the strategic authority if membership of the WMCA is pursued

Weaknesses

- ✗ A two unitary model risks a fragmented strategic voice for Warwickshire within a strategic authority and other regional forums which could weaken the county's overall influence and its ability to secure and coordinate devolution deals effectively.
- ✗ Different approaches to devolution between the two authorities may lead to inconsistencies in service delivery and strategic planning, reducing the benefits of devolution to the county as a whole and to the strategic authority.

Medium



Criteria 6 - New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

MHCLG Guidance

- a) Proposals will need to explain plans to make sure that communities are engaged.
- b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

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Option 1 – Single unitary	Option 2 – Two unitary model
Strengths ✓ A single unitary authority provides a coherent framework for community engagement across the entire county, including local committees, community networks, and creating new town and parish councils in unparished areas. This reduces fragmentation and ensures that all communities benefit from a consistent offer and approach, tailored to local priorities, embedding a strong sense of local civic pride within the framework of a strong strategic Warwickshire Council. ✓ A county-wide approach allows for the standardisation of engagement mechanisms, ensuring that rural, urban, and marginalised communities have access to influence and shape local services. ✓ A well designed single unitary can offer a highly localised operating model focusing on different places while maintaining strategic scale. ✓ More balanced resources will enable greater investment in local community engagement in all parts of Warwickshire. Weaknesses ✗ If it is not well-designed, there is a risk that a single authority may be perceived as more distant from local communities, particularly in rural or geographically isolated areas. This could impact levels of trust and engagement unless mitigated by strong local governance arrangements. ✗ Managing diverse local priorities within a single structure requires significant focus on hyper-local engagement mechanisms within the Council’s target operating model to ensure that all voices are heard and valued. ✗ There is a risk that the scale of the authority, if it is not well-designed, may limit the responsiveness to hyper-local issues, particularly in rural or more isolated communities, where local context is critical to effective service delivery and community engagement.	Strengths ✓ Two smaller unitary authorities may be perceived as more locally accessible and responsive, particularly in areas with strong local identities. This can enhance trust and foster a sense of ownership among residents. ✓ Each authority can develop bespoke community engagement strategies that reflect the specific needs, demographics, and priorities of their localities. This flexibility may support more innovative and context-sensitive approaches to neighbourhood empowerment. Weaknesses ✗ Operating two separate engagement infrastructures may lead to duplication of effort and increased administrative overheads. ✗ The two-unitary model risks diluting the ability to deliver a coherent and unified strategic offer to communities, particularly in relation to Town and Parish Councils and the local VCSE sector. Fragmentation may hinder the development of county-wide frameworks for collaboration, funding, and capacity-building, reducing the overall effectiveness of neighbourhood empowerment initiatives. ✗ Significant financial viability risks for the north Warwickshire unitary likely to reduce scope to invest in local community engagement.
High	High

Our approach to assessing the financial aspects of LGR options has involved three key elements: firstly, to assess the costs and benefits of one and two unitary councils; secondly, disaggregating funding, costs, Medium-Term Financial Strategy, reserves and balance sheet in a two unitary scenario to understand financial resilience and sustainability; and thirdly, consideration of council tax harmonisation.



Financial assessment of different LGR options

- Benefits of one/two unitary councils
- Implementation costs
- Disaggregation costs and risks
- Investment appraisal – payback



Financial sustainability and resilience of different options (balance sheet)

- MTFS model, splitting funding and costs, gaps [Newton Europe]
- Revenue sources/tax base (inc. fees and charges), funding reform and Business Rates Retention [Pixel Model]
- Balance sheet – debt, borrowing/Capital Financing Requirement, assets, reserves, commercial, SEND deficit, Housing Revenue Account
- Wider financial risks/due diligence



Council Tax harmonisation

- Harmonisation approach (lowest, highest, weighted average)
- Timescale (up to 7 years)
- Town and Parish Councils, Rugby special expenses

The financial assessment underpins the options appraisal and is particularly relevant to Government criteria 1 and 2. Although LGR will deliver significant financial benefits, these will not be sufficient to address all of the financial challenges facing local government in Warwickshire. These pressures flow from increases in demand and cost which are unsustainable, increasing much more quickly than funding. As a result, the new council/s will need to innovate and find additional savings in either scenario. Maximising the financial benefits of LGR, and financial sustainability and resilience of local government in Warwickshire, are therefore important considerations.

Single unitary will deliver the following comparative benefits:

- Three times higher recurring annual net benefits arising directly from reorganisation, a total net benefit of £18.7m per year. Five years post-vesting, the total net benefit is £57.1m.
- By investing in further transformation activity, a single unitary scenario could realise 50% additional benefits (£46.7m) in ten years post-vesting compared to a two unitary scenario, rising to an additional 60% in a stretch transformation scenario (£72.3m).

Lower transition costs in a single unitary:

- Our assumption is that one-off transition costs for a single unitary will be funded from reserves which are at a healthy level across the six councils, with the option of flexible use of capital receipts as a backstop if necessary. However, there are risks about transition costs for a north unitary as the available to use reserves would run out by year 3.
- One-off transition costs for a single unitary are £22.3m, £8.9m (30%) lower than for two unitaries.
- There are no additional disaggregation costs, whereas a two unitary scenario costs £8.6m each year in additional disaggregation costs.
- A lower payback period of 2.9 years compared to 7.7 years for two unitaries from the point of initial investment.



Using a national model developed by ‘Pixel’, used by all six Warwickshire councils, we have identified how resources would be split between two councils.

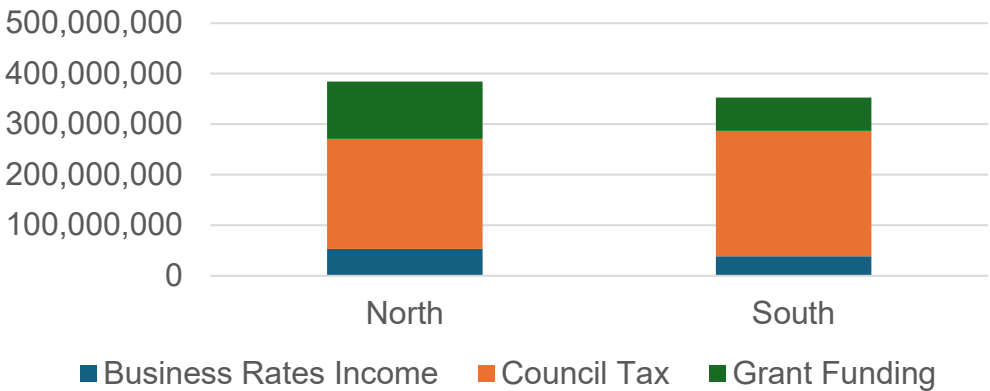
Our analysis has split funding sources (business rates income, Council tax and grant funding) between the two unitaries, which leads to an allocation which mirrors the population (52% north, 48% south). North Warwickshire will be more reliant on business rates and Government grants whereas South Warwickshire would see a heavy reliance on council tax to fund services.

This assumes:

- Annual council tax increases up to the referendum limit (4.99%)
- A 1.5% annual council taxbase increase in line with historic trends
- Abolition of Rugby ‘special expenses’ and creation of new town and parish councils there and in Nuneaton and Bedworth and Bulkington
- Government grants and Settlement Funding Assessment cash frozen each year

	North	South
Population	322,741	295,082
Share of population	52.2%	47.8
Share of Council Tax base	46%	54%
Overall share of funding post-LGR	52.2%	47.8%
Share of business rates	58%	42%
Share of grant funding	63%	37%

Sources of Funding in Two Unitary Model excluding Fire



Using Medium-Term Financial Strategy (MTFS) returns from all six councils and published budget information for 2025/26, we have modelled how county council spend would disaggregate between the two councils and added the relevant district and borough spend to these for north and south. The following cost drivers have been used to disaggregate county council spend:

- Independent analysis by Newton Europe of current spending for social care services
- ONS mid 2024 population estimates
- Deprivation - count of population in lower super output areas (LSOAs) in most deprived 25% of LSOAs in England
- Area
- Taxbase
- Waste tonnages
- Pupil numbers
- Road lengths

Analysis of the 2025/26 County Council Budget by Cost Driver

	Budget (£'000)	Share of WCC Budget	Allocated to north	Allocated to south
Adult Social Care	232,984	36.8%	52.7%	47.3%
Children's Social Care	115,601	18.3%	60.8%	39.2%
Population ¹	83,386	13.2%	52.4%	47.6%
Population and pupil numbers ²	56,544	8.9%	56.9%	43.1%
Population (inc. aged weighted) plus 5% deprivation ³	33,032	5.2%	61.3-55.7%	38.7-44.3%
Waste tonnages	16,787	2.7%	53.2%	46.8%
Road length	19,622	3.1%	42.6%	57.4%
Pupil numbers	12,102	1.9%	54.5-60.4%	45.5-39.6%
Area	671	0.1%	36.2%	63.8%
Taxbase	(2,858)	-0.5%	46%	54%
Overheads and Support	64,980	10.3%	54.7%	43%
	632,849			

Notes:

- ¹ Used for economy and transport management, Trading Standards and Community Safety, Transport Strategy and Road Safety, Fire and Rescue, Regeneration and Strategic Planning, Customer Contact, Community Partnerships, Libraries, Heritage and Regeneration, Capital Financing, County Coroner, Members' Allowances and Expenses
- ² Used for transport delivery only
- ³ Used for economy and skills, health and care commissioning and public health

Local Government Reorganisation: Disaggregating the MTFS

The combined WCC budgets, adjusted for ongoing future spending pressures and savings built into existing MTFS figures, appears below.

	North Unitary					South Unitary					Single Unitary				
	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m
Approved budget 2025/26	346	346	346	346	346	287	287	287	287	287	633	633	633	633	633
On-going Future Spending Pressures	70	95	120	145	170	60	82	103	123	143	130	178	223	269	314
On-going Future Savings	(27)	(31)	(31)	(31)	(31)	(23)	(26)	(26)	(26)	(26)	(50)	(58)	(58)	(58)	(58)
WCC Net Revenue Requirement	389	410	435	460	485	324	343	363	384	404	713	753	798	844	889

Additional spending pressures have been included for each district and borough council based on three-year averages and spend has been adjusted for creation of new town and parish councils in Rugby and Nuneaton, Bedworth, Bulkington and abolition of Rugby special expenses. Spend is split 55% to the north unitary and 45% to the south.

	North Unitary					South Unitary					Single Unitary				
Current by Council	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m
North Warwickshire	12	13	13	13	14						12	13	13	13	14
Nuneaton and Bedworth	20	22	24	25	26						20	22	24	25	26
Rugby	21	22	23	24	25						21	22	23	24	25
Stratford						22	22	22	23	23	22	22	22	23	23
Warwick						19	19	20	20	21	19	19	20	20	21
Warwickshire	389	410	435	460	485	324	343	363	384	404	713	753	798	844	889
Unitary Net Revenue Requirement	442	467	495	522	550	365	384	405	427	448	807	851	900	949	998

Local Government Reorganisation: Financial viability

This table compares the net revenue requirement (costs) against the funding split (income). This shows a material funding gap in the north, and a surplus in the south due to unequal council tax base. The main driver of this is the significantly higher proportion of costs of children's social care, Home to School transport, SEND and, to a lesser extent, adult social care, which arise in the north of the county. This would create a clear financial sustainability issue from the outset and a clear imbalance of resourcing versus need in the north and south, risking damage to service levels in the places with the highest levels of need and deprivation.

Newton Europe's analysis shows that demand and costs grow faster in a South Warwickshire unitary between 2025-2040 compared with the north. Taken in combination with higher unit costs in the south, this will create increasing financial pressures over the medium term compounded by lack of scale and higher overheads of two new unitary authorities. Conversely in the short term, a North Warwickshire unitary would exist with a budget deficit from day one of the new authority requiring additional savings in the parts of the county with the highest levels of need, and significant use of available reserves which would run out by Year 3. This would reduce the scope to invest in transformation to address the causes of the higher demand levels in the north.

Considering Warwickshire as a whole, a single unitary is the more financially resilient and sustainable option, with only marginal additional savings required in Years 4 & 5. The surplus or deficit will be eroded if councils use the difference between the outputs of the Fair Funding review and current MTFS assumptions before vesting day.

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	North Unitary					South Unitary					Single Unitary				
	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m
Net Revenue Requirement	442	467	495	522	550	365	384	405	427	448	807	851	900	949	998
Settlement Funding Assessment and Grants	(171)	(171)	(171)	(171)	(171)	(105)	(105)	(105)	(105)	(105)	(276)	(276)	(276)	(276)	(276)
Council Tax	(256)	(269)	(283)	(296)	(311)	(294)	(308)	(323)	(340)	(357)	(550)	(577)	(606)	(636)	(668)
Impact of Taxbase growth	(4)	(8)	(12)	(17)	(22)	(4)	(9)	(14)	(19)	(24)	(8)	(17)	(26)	(36)	(46)
Total Resourcing	(431)	(448)	(466)	(484)	(504)	(403)	(422)	(442)	(464)	(486)	(834)	(870)	(908)	(948)	(990)
Annual (Surplus)/Deficit before cost/benefit of reorganisation	11	19	29	38	46	(38)	(38)	(37)	(37)	(38)	(27)	(19)	(8)	1	8



Reserves to support reorganisation and MTFS

Modelling of reserves based on estimated reserves at 31 March 2026 reported by authorities on the RA Form submission to MHCLG used Net Revenue Spend to split reserves - 54.7% North, 45.3% South. The following reserves are not available to support reorganisation or help balance the revenue budget - Estimated school level reserves; Dedicated Schools Grant Adjustment Account level; Reserves held on behalf of third parties for specific projects; and contractual commitments.

The existing provision to offset the DSG Schools Grant Adjustment Account has been retained pending a Government decision on how to bring the DSG back into balance. 50% of the specific risk and budget stabilisation reserves have been retained, with the reduction based on no longer needing to hold reserves to cover financial risks associated with the Fair Funding review and Business Rates reset, and rationalisation of risk reserves post any move to a unitary authority structure.

A provision for General Reserves estimated at 5% of net spend retained as the minimum level of reserves. No reserves are used to support the revenue budget prior to vesting day given the positive impact of the Fair Funding Review and limits that would be covered by the Section 24 agreement when the reorganisation decision announced

	Single Unitary £m	North Unitary £m	South Unitary £m
Planned future revenue and capital spending	31	12	19
50% of specific risks	35	18	17
50% of budget stabilisation	33	22	11
Other reserves	8	8	0
Estimated unallocated financial reserves level	58	31	27
Less provision for General Reserves (est 5% of net spend)	(40)	(22)	(18)
Total Reserves to Support Reorganisation	125	69	56

Impact of LGR costs/benefits and use of reserves

Bringing together the benefits and costs of LGR with the MTFs model, and disaggregation of reserves shows that a single unitary authority would have stronger financial resilience and sustainability compared with a two unitary model where the north unitary would run out of reserves by Year 3 without significant further spending reductions on top of current savings and the benefits of LGR. A single unitary would maintain a strong and stable reserves position, excluding the issue of SEND deficits, throughout its first five years, and would generate a surplus position at the end of each of the five years.

	North Unitary					South Unitary					Single Unitary				
	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m
Budget position pre LGR cost/gain	11	19	29	38	46	(38)	(38)	(37)	(37)	(38)	(27)	(19)	(8)	1	8
Benefits	(4)	(6)	(8)	(8)	(8)	(4)	(5)	(7)	(7)	(7)	(9)	(14)	(19)	(19)	(19)
Disaggregation costs	5	5	5	5	5	4	4	4	4	4	0	0	0	0	0
Transition costs	4	4	0	0	0	4	4	0	0	0	6	6	0	0	0
Budget position post LGR cost/gain	16	22	26	35	43	(34)	(35)	(40)	(40)	(41)	(30)	(27)	(27)	(18)	(11)
Available Reserves at year start	(69)	(45)	(23)	0	0	(56)	(45)	(41)	(41)	(41)	(125)	(108)	(102)	(102)	(102)
Pre-vesting day transition	8	0	0			7	0				11	0			
In-year transition costs	4	4	0			4	4				6	6			
Reserves to balance budget	12	18	23			0	0				0	0			
Available Reserves at year end	(45)	(23)	0	0	0	(45)	(41)	(41)	(41)	(41)	(108)	(102)	(102)	(102)	(102)
Extra savings needed to balance	-	-	3	35	43	-	-	-	-	-	-	-	-	-	-

Consolidated Warwickshire balance sheet

Based on the 2023/24 audited accounts, modelling of a disaggregated balance sheet shows the total value of Warwickshire's net assets is £2.6bn, which has been allocated 53% North Warwickshire and 47% South Warwickshire. Property, Plant and Equipment has been allocated by physical location and value rather than a proxy indicator.

14% of net assets are current. 86% are long-term assets; 85% of long-term debtors are in South Warwickshire which relates largely to the long-term loans made by Warwick District Council to the Crewe Lane Kenilworth Joint Venture for the construction of housing.

By value, only 20% of the six authorities' combined balance sheet is held in usable reserves and therefore available to support the revenue budget and/or the housing revenue account.

An analysis of three Government indicators of borrowing and debt risk shows a slightly higher risk in South Warwickshire but no fundamental issues. This does not account for SEND deficits.

	North Warwickshire	South Warwickshire	Single Unitary
External borrowing as a percentage of net assets at March 2024	20%	26%	22%
Internal borrowing as a percentage of usable reserves at March 2024	27%	37%	31%
Debt servicing as percentage of 2025/26 council tax requirement	8%	9%	9%

	Single Unitary £m	North Unitary £m	South Unitary £m
Property, Plant and Equipment	3,050	1,558	1,493
Investment Properties	71	46	25
Long-term Investments	112	62	50
Long-term Debtors	111	17	94
Long-Term Assets	3,343	1,682	1,661
Current Assets	710	406	304
Current Liabilities	(329)	(193)	(136)
Long-Term Borrowing	(700)	(315)	(385)
Net Pension Liability	(220)	(104)	(115)
Other Long-Term Liabilities	(168)	(87)	(81)
Long-Term Liabilities	(1,088)	(507)	(582)
Net Assets	2,636	1,389	1,247
Usable Reserve - non HRA	(441)	(232)	(209)
Usable Reserve - HRA	(80)	(48)	(33)
Unusable Reserves	(2,114)	(1,109)	(1,005)
Total Reserves	(2,636)	(1,389)	(1,247)

Key balance sheet and wider financial risks

- **General balance sheet risks:** A series of balance sheet risks apply in all scenarios – SEND deficits, borrowing, commercial ventures and concerns about opening balances for four of the district and borough councils who received disclaimed audit opinions for 2023/24, three of which also have statutory recommendations from their external auditors to improve their production of the annual accounts.
- **Dedicated Schols Grant (DSG) statutory override:** DSG is the main government grant for education, with the High Needs Block (HNB) funding services for ages 0-25 with SEND. The DSG deficit is the County Council's biggest financial risk, mirroring a national issue—deficits are expected to exceed £6bn by March 2026 due to underfunding and rising demand post-Covid. A statutory override since 2020 allows negative reserves for DSG overspends, extended to March 2028. Warwickshire's DSG HNB deficit is forecast at £151m by the end of 2025/26, impacting cash and borrowing (costs could reach £25m/year by 2030/31). Current spend is £92m North (62%), £55m South (38%); by 2040, demand could shift this to 55% North, 45% South. Without extra government funding, new authorities must find resources to cover DSG deficits.
- **Capital Financing Requirement (CFR):** this measures the amount of borrowing that still needs to be repaid to fund capital spend that has already been, i.e. the amount of capital expenditure that is not funded by capital receipts, capital grants or revenue contributions. The total CFR for Warwickshire, as at 1 April 2024, was £853m, split £401m north and £452m south, reflecting relatively high levels of borrowing by Warwick District Council. There is a relatively higher CFR in the south than north, which means there is higher risk associated with borrowing in the south and greater revenue costs of borrowing.
- **Commercial activity:** The six local authorities in Warwickshire are currently owners (or part owners) of seventeen companies, eleven of which are owned (or part-owned) by the County Council. A number of opportunities arise from companies operating over a wider area and synergies between companies, but there are risks of disaggregating county council company ownership between two councils.
- **Housing Revenue Account (HRA):** Four of the district and borough councils have a Housing Revenue Account (HRA) for their housing stock. This financially ring-fences the HRA from councils' general funds. For the purposes of this analysis, the HRA has not been factored in as it is separate from core council budgets. Further detailed work on the HRA will be required as part of aggregation once the new model of local government in Warwickshire has been decided.
- **Pay harmonisation:** the 2023/24 accounts reported 6,650 employees across the six councils (66% in the county council, 34% in the district and borough councils). Creation of a standard and consistent grading structure (pay harmonisation) across all services is a financial risk whereby potential cost will depend on relative differences in pay scales, the balance of in-house and contracted out services and variations in service offer. Legal compliance, staff morale and operational effectiveness would indicate the new council/s should do this relatively quickly.

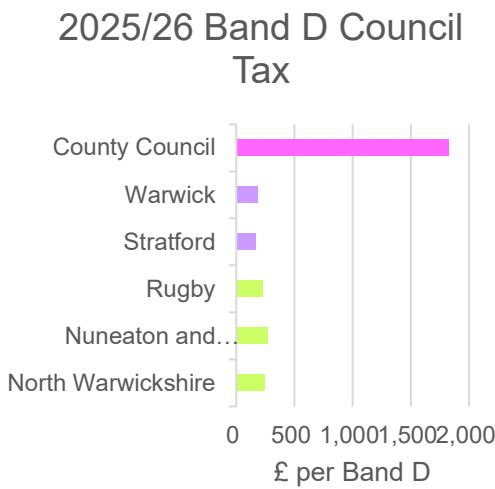


Harmonisation – the starting point

Total council tax is dominated by the charge from the County Council which is c90% of the council tax to be harmonised and is already harmonised. The focus on council tax harmonisation is the equalisation of those council tax charges levied by the district/borough councils. Five principles have driven our modelling of harmonisation options:

- 1. Support financial sustainability through the maximisation of council tax income
- 2. Ensure the council tax set provides for a consistent service offer across all areas
- 3. Strive for fairness to taxpayers within and between areas
- 4. Enable the delivery of savings and transformational change
- 5. Drive operational effectiveness and enable forward-looking decision-making

The key choices and recommended approach to harmonisation is set out below. Ultimately, decisions on harmonisation will be for the new unitary authority/s depending on the MTFs position at the time. Under the recommended approach the gross difference in council tax levels across the five areas of Warwickshire is £78.85 or 3.6%. This places the range of council taxes in Warwickshire broadly in the middle of other council areas that have unitarised recently.



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Choice	Recommended approach
Increase by weighted average or to maximum of 4.99% increase for any predecessor area	Weighted average council tax increase at referendum level
Abolish or maintain Rugby special expenses	Abolish Rugby Special Expenses through the creation of a town council with spending reduced by the same amount as the council tax income
Introduce new town and parish councils in Nuneaton and Bedworth	Create town/parish councils across Warwickshire with the cost of service responsibilities transferred equivalent to the council tax income generated
Period of harmonisation between 1 and 7 years	One year harmonisation

Disaggregating services, where responsibilities currently held by the county council are split between different councils, can create a variety of challenges depending on the service area. The table below outlines the degree of impact on delivery, cost and accessibility for different service areas.

Service Area	Impact rating	Commentary
People based services	High	Large scale/ cost/ volume, people based services covering adult and children's social care, children's services, education and public health would face the greatest impact for disaggregation. • <i>Inconsistent care and service standards across regions due to split and potentially more complex governance.</i> • <i>Loss of economies of scale – increased market competition, unit costs and competition for staff.</i> • <i>Duplication of safeguarding boards and SEND coordination efforts.</i> • <i>Impact on partnerships and services delivered pr commissioned in partnership (eg with health)</i> • <i>Challenges in maintaining continuity for vulnerable individuals moving between areas.</i> • <i>Added complexities of new boundaries for service delivery</i> • <i>The Newton work on this provides the detailed financial picture</i>
Community services	High	Services such as transport, highways delivery, planning, waste disposal and economic growth would be significantly impacted by disaggregation. • <i>Increased costs for maintaining separate vehicle fleets and depots.</i> • <i>Inefficient waste management strategies and varied recycling standards.</i> • <i>Inconsistent road maintenance and infrastructure investment.</i> • <i>Fragmented economic growth strategies and reduced leverage for inward investment.</i>
Universal Services	Medium	Services like libraries, registration and heritage already deliver services across the county at multiple access points however, disaggregation would require some duplication of systems and management. • <i>Separate library catalogues and membership systems reducing access to shared resources.</i> • <i>Increased administrative overheads for birth, death, and marriage registrations.</i> • <i>Increased competition in the local area for national funding programmes.</i> • <i>Reduced ability to run countywide cultural or literacy programmes.</i>
Support services	Medium	All six councils have a range of support services including Workforce, Legal, ICT, Finance and Facilities. Disaggregation would require two established functions with management and leadership capability – it is estimated that this would not be achievable with current capability and capacity of the workforce. • <i>Duplication of IT systems and cybersecurity frameworks.</i> • <i>Increased costs for legal services and procurement processes.</i> • <i>Challenges in maintaining consistent HR policies and payroll systems.</i> • <i>Reduced efficiency in public asset management.</i>



The service areas listed below face significant impact and challenges from disaggregation.

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Service Area	Commentary
Warwickshire Fire & Rescue Authority	Moving to a two unitary authority model would require creation of a Warwickshire Combined Fire & Rescue Authority, other options either not being viable or legally possible. Whilst this would importantly preserve county wide coverage, allowing flexible deployment of resources, and co-terminosity with the Police footprint, transitioning to a new governance structure would initially be disruptive with transition costs and shorter term funding pressures following its separation from the county council. It may also result in two governance changes in quick succession if Government pursues the model of Strategic Authority Mayors taking on accountability for policing and fire functions.
Education	Currently, SEND provision in schools is planned to meet county-wide needs. New boundaries would complicate placing children, as current rules are based on distance, not council borders. Home-to-school transport would become more complex and harder to manage with additional boundaries. Specialist countywide teams that currently work to place geographies would likely need to be replaced with a generic model, reducing flexibility and resilience. Planning responsibilities—such as school sufficiency, capital investment, and new school funding—could become less clear, with overlaps and disputes between councils. Admissions processes may become inconsistent, especially for schools near borders. Creating two sets of management and support teams would increase costs and reduce capacity. Oversight of high needs funding could weaken, and different decision-making approaches may lead to growing disparities.
Public Health	Splitting public health services between two smaller councils risks reducing the service effectiveness and financial sustainability. It would disrupt local delivery alignment from NHS strategic footprints, reduce economies of scale, and disrupt commissioning—making services less viable and attractive to providers. A key concern is the disaggregation of 11 core public health contracts worth approximately £22.5 million per year, some of which are jointly commissioned with Coventry and have breakpoints post-2028. Splitting contracts and workforces would lead to downsizing, duplication of statutory duties e.g. pharmaceutical needs assessments, and reduced capacity, resulting in less detailed input and potentially poorer health outcomes. Smaller authorities would also have reduced national influence and a limited ability to address health inequalities, particularly in the north.
Social Care	Splitting services between two councils would lead to duplication, disruption, and fragmentation of our care market. It would require duplication of management roles (statutory and none), worsening already difficult local and national recruitment challenges. Statutory partnerships like the Warwickshire Adult Safeguarding Board would need to be duplicated, and renegotiated. It would also cut across existing integrated work with the NHS. Partners would face extra work to engage with two councils, and splitting existing Section 75 agreements could destabilise staff and services. A smaller market footprint may reduce provider interest, increase competition, and drive-up commissioning costs. Service standards and practise could become inconsistent across the two new authorities, and data sharing, IT systems, and performance monitoring across the two authorities would be more complex. Income differences between the two councils could affect resilience and the ability to deliver consistent services. The transition to the new model could cause delays in care, missed assessments, and safeguarding risks, with there being significant technical issues in relation to Ordinary Residents for a number of years specifically due to the breaking up of the current Warwickshire County footprint.
Highways	Supply chains and labour movements that currently operate across the county would be disrupted, and transport networks, especially bus routes, would cross boundaries, making coordination more difficult. Smaller commissioning areas may struggle to attract providers, leading to higher prices or reduced delivery capacity for services like transport delivery and parking enforcement (a recent review highlighted a lack of market interest in tendering at a below county level). Specialist countywide teams could be broken up, reducing resilience and expertise. Budget splits may not reflect the differing infrastructure and network needs (e.g. more dual carriageways in the north), and procurement is likely to become more expensive. Small teams with unique roles may be particularly affected, as they cannot be easily replicated across two authorities.

The Warwickshire Council is the recommended model which meets the Government's six criteria.

1

A single unitary is the only model that can deliver genuine local presence AND offer the scale and efficiency needed to be financially sustainable into the future. It enables coherent planning, strengthens strategic partnerships, and improves accountability through unified leadership and delivery.

2

A single unitary offers the optimal scale for financial resilience, operational efficiency, and service sustainability. With a population now of c.630,000, it provides financial sustainability, maximises long-term savings achieved with lower transition costs, and so creates greater capacity to protect and enhance service delivery whilst avoiding the underfunding of the north to meet prevailing need in a two unitary scenario.

3

A single unitary delivers the platform for consistent, high-quality, and sustainable public service delivery. It is the only model that ensures financial viability across the whole county—particularly in the north—by enabling services to be maintained and improved in areas with the greatest need. It supports public service reform while avoiding the significant risks, costs, and disruption associated with disaggregating countywide services.

4

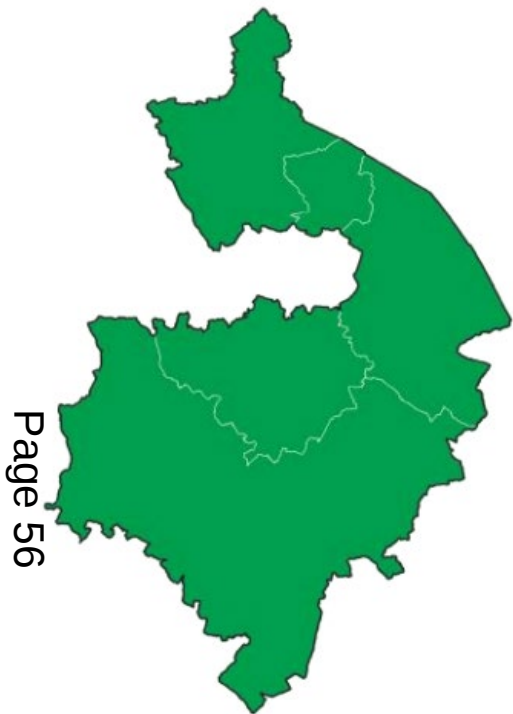
A single unitary preserves and promotes a unified Warwickshire identity, reinforcing the county's strong historic heritage, cultural cohesion, and sense of place, building on a community powered approach to ensure that local voices are heard & influence decision making.

5

A single unitary provides the scale, coherence, and leadership capacity needed to take-on and utilise devolved powers effectively. It offers a singular strategic voice for Warwickshire with regional partners and Strategic Authority arrangements, strengthening Warwickshire's direct influence and ability to deliver on local and national priorities.

6

A single unitary will provide a consistent, countywide framework for community engagement and neighbourhood empowerment. It enables integrated, community-focused service delivery and aligns effectively with key partners to support joint working. Done well, it will ensure all communities have meaningful opportunities to shape local services and decisions.



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Engaging
communities



Efficient
services



Effective
Local
Government

Section 3 – Transforming lives in Warwickshire

This section sets how the vision will be delivered through transformation activity and new ways of working

Sections

a) **Warwickshire Council**

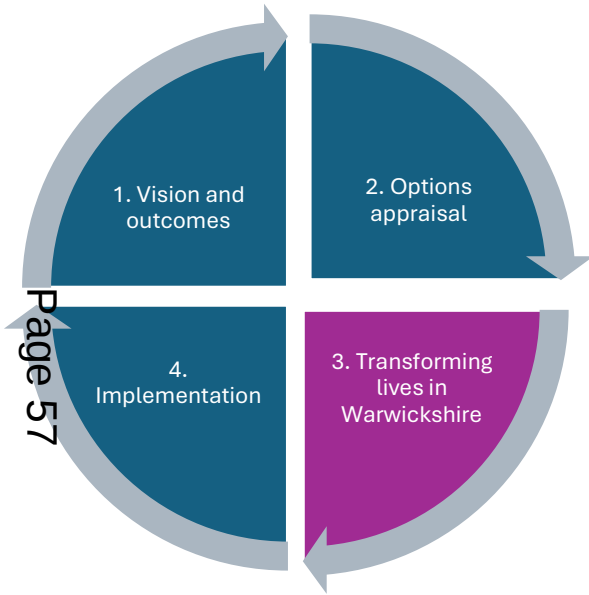
- i. Target operating model
- ii. Service synergies and join-up

b) **Warwickshire communities**

- i. New models of community governance
- ii. Democratic representation
- iii. Public Service Reform and *Test, Learn and Grow*

c) **Warwickshire place – devolution**

a) **LGR – The opportunity**



The Vision

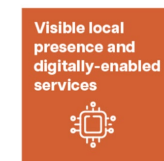
Warwickshire Council

A single council means residents will experience simpler, clearer access to services, with less bureaucracy and faster responses, enabled by good service design and digital innovation at scale. By removing duplication, more funding can be directed to frontline services that matter most - like social care, housing, and community safety.



The new Warwickshire Council will design an operating model that builds on all the best elements of the six predecessor councils driven by the following key principles:

- **Purpose-driven culture:** driven by a clear purpose to improve lives and communities with a prevention mission and strong organisational culture, values and behaviours; simple, clear, forward-thinking, evidence-based strategies and commissioning approaches will maximise outcomes.
- **Integration for prevention:** a model that balances strategic scale with local delivery by combining the best of the previous six councils and maximising the benefits of integrating services, shifting resources upstream to support prevention based on effective use of data.
- **Place and neighbourhood working:** the structure will combine countywide activity where it is most effective with place-based working embedded within the operating model and integrated neighbourhood teams working as locally as possible.
- **Systemic approach with partners:** collaborating closely with partners, focusing on collectively agreed outcomes, enabling public service reform and systemic approaches to deliver on Warwickshire's major opportunities.
- **Community powered:** the Council will embed involving communities in decision-making, working alongside them to take practical action which delivers community priorities and supporting them to lead.
- **Visible local presence and digitally-enabled services:** accessible services and choice of channel for residents, businesses and visitors, with consistently high standards of customer service driven by data, insight and digital innovation.
- **Value for money:** using the balance of scale and local presence to improve the economy, efficiency and effectiveness of local government in Warwickshire, with a laser focus on delivering and tracking tangible benefits for residents



The creation of Warwickshire Council provides the opportunity to operate at scale and aggregate existing best practice demonstrated across the current six authorities. It provides the opportunity to explore new service synergies to enable the Council to be engaged, efficient and effective. Examples of how services can be synergised are below.



Engaged Communities

Local presence, local pride, local leadership

- Linking Housing to Children's and Adult Social Care services will better support families in temporary accommodation, the ageing population and people of working age with physical, mental and learning disabilities. Closer collaboration means homes can be designed to support independence and reduce future care needs.
- A countywide approach to transport will create joined up planning, coordinated infrastructure investment and better connections across the county.
- Bringing together Public Health, Environmental Health and Leisure will support a holistic approach to wellbeing, improving preventative care and access to healthy lifestyle options.



Efficient services

Value for money, high performing service delivery

- Bringing together waste collection, disposal and recycling will enable better route and schedule optimisation, staff utilisation and access to shared resources.
- The aggregation of support services such as Human Resources, Legal, Finance and IT services will enable financial efficiencies through reduced duplication and streamlined staffing arrangements.
- Joining up property and assets across the county will cut costs by reducing the number of buildings needed, enabling Warwickshire Council to drive better value for money and regeneration.
- Combining Customer Services and Digital Services will create consistent and integrated contact points for residents and enable greater innovation using integrated data to improve the user experience.



Effective local government

Outcomes, impact and benefits for residents, communities and businesses

- A single set of planning policies, will enable a more consistent approach to planning. This will improve the ability to make land available for developments to coordinate faster delivery of housing and infrastructure and promote a holistic approach to regeneration.
- Bringing sport, physical activity and wellbeing under one strategy, working more closely across public health, social care, and economy and skills to boost well-being, support employment and reduce demand on health and social care services.
- One unitary council will retain Warwickshire's heritage and cultural identity.
- A single approach to parking will improve traffic management in town centres and give landlords clear standards to guide HMO (house in multiple occupation) applications.

Current Practice

Housing Services

In Warwickshire, housing delivery is currently managed across the five district and borough councils, whilst highways and some infrastructure planning sit with the county council. This structure creates delays, duplication, and inconsistent service quality, challenges that are becoming more pressing as annual housing targets have increased by 69% under the new National Planning Policy Framework.

The current system is unable to respond quickly or effectively to this scale of demand.

Health in All Policies

Health in All Policies (HiAP) is a strategic approach that embeds health considerations across all sectors, beyond traditional healthcare. Instead of addressing issues like obesity in isolation, HiAP leverages areas such as transport, planning, and education to improve health outcomes.

Endorsed by the Health and Wellbeing Board in 2021, Warwickshire County Council and all five District and Borough Councils have committed to embedding HiAP into the councils' culture and decision-making.

Local Transport Plan

Warwickshire County Council adopted its fourth Local Transport Plan (LTP4) in July 2023, which outlines the strategic framework for maintaining and improving the transport network across the county.

Developed through extensive public consultation with residents, businesses, visitors, and key stakeholders, LTP4 (and the emerging suite of supporting Area Strategies) reflect the local priorities and aspirations for Warwickshire's future transport network.

How Local Government Reorganisation can help

LGR presents the significant opportunity to streamline and improve housing services by bringing them under a single-tier authority, allowing the opportunity specialism within the planning service. By integrating housing with related services such as transport, planning, public health, and social care, Warwickshire can deliver a more joined-up, efficient, and responsive system. This could reduce delays in housing development and ensure that services are better aligned to meet the needs of residents.

LGR offers an opportunity to have a unified approach to HiAP across all council services. This consistent and whole-area approach will make local government more efficient and responsive, ensuring that every policy decision actively contributes to better health and wellbeing. Embedding health across all services helps tackle inequalities at their root, creating healthier, more resilient communities and improving quality of life for all residents.

By consolidating governance and streamlining decision making, LGR enables sharper resource alignment and quicker delivery of LTP4's core priorities: such as boosting active travel, improving public transport and using smart technology to make the transport network more efficient. A unified authority can better prioritise infrastructure investment where it's most needed, avoid conflicting strategic approaches, tackling transport inequality, and unlocking sustainable economic growth.



Community Governance and Locality Working

Warwickshire Council’s approach to community governance will place residents and local communities at the heart of local decision-making. Through the establishment of Local Committees and Community Networks there are clear, accessible structures that enable communities to shape priorities, influence outcomes, and take ownership of local initiatives.

These governance mechanisms will build a coherent framework that fosters collaboration, amplifies local voices, and aligns efforts around a shared vision. Empowering residents to lead on what matters most to them, will drive more responsive, inclusive, and effective local decision-making

Community Powered Warwickshire

Since 2021, the Community Powered Warwickshire approach has focused on harnessing the power of communities to tackle inequalities and social inclusion. This approach will become the DNA of a new council, embedded county wide, and at local place and neighbourhood level. The approach will put communities in the driving seat, leading from the front to deliver local priorities that are important to them.

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Engaged - The new Community Networks will be led by local communities, enabling them to develop plans that are locally owned and aligned with their specific priorities. Local Committees will serve as a platform for local councillors to make decisions that matter to their communities, while also giving residents the opportunity to influence policies and strategies, and to have a voice in major decisions affecting their area.

Effective - A consistent, countywide approach to community engagement and governance will ensure all residents have equal opportunities to participate in local decision-making. This will reduce fragmentation, improve coordination, and enable the Council to respond more quickly and strategically to local needs. It will also support better data sharing and resource planning, making the Council more agile, accountable, and responsive to communities.

Efficient - Local Committees will act as an important access point for the Council, local councillors, partners, and stakeholders, facilitating engagement with communities. This approach will reduce duplication in partnership working and create a more streamlined process for residents to share their views.

The proposed model for community governance includes three critical elements:

The Vision for Warwickshire communities

A unified council creates a **joined-up public service experience**.

Residents will benefit from **coordinated support across health, education, housing, and community safety**, with **preventative services** embedded to help people earlier and more effectively - reducing crisis interventions and improving long-term wellbeing.

1) Local Committees

Local Committees will create a more localised and responsive governance structure that strengthens the connection between communities and strategic decision-making.

They will be formal council committees made up of local councillors and responsible for a defined set of functions over a defined area, with scope to expand as the Committees mature. A senior Council officer will lead for each Local Committee, ensuring the Council co-ordinates and integrates delivery, performance and engagement on a place perspective.

These functions may include:

- recommending or approving local grant funding awards;
- influencing policy and strategy development, including helping to shape major proposals affecting their area;
- receiving and scrutinising performance information relevant to the area;
- advising on boundary consultations;
- acting as consultees on major decisions affecting the area; and
- decision-making in relation to specific service areas where appropriate to delegate on an area basis.

The proposed model for community governance includes three critical elements:

The Vision for Warwickshire communities

A unified council **joined-up public service experience**.

Residents will benefit from **coordinated support across health, education, housing, and policing**, with **preventative services** embedded to help people earlier and more effectively - reducing crisis interventions and improving long-term wellbeing.

2) Community Networks

Community Networks will likely cover 20,000-30,000 residents and be a forum to collaborate with communities; their initial design could include the following key features:

- **Partnerships:** Networks will enable communities to lead, bringing together local councillors, Town and Parish Councils, partners, and stakeholders to collaborate and stimulate local action.
- **Community Led:** Each network will be supported to develop a simple, locally-owned neighbourhood plan to reflect community priorities.
- **Dedicated Leadership:** A senior council officer will be assigned to each network to provide strategic oversight and ensure communities are being heard.
- **Place-Based Focus:** Networks will focus on addressing local challenges, driving growth, and sharing learning across the county. This will enhance the work of the Coventry and Warwickshire Place Forum, Health and Wellbeing Board, place-based Health and Care Partnerships, Community Safety Partnerships and Council Overview and Scrutiny Committees.

Aligned with a community-powered approach, networks will reflect local needs and allow flexibility in structure, function and ways of working, potentially building on existing networks. To allow for flexibility but ensure consistency, Community Networks will follow guiding principles.

Such guiding principles may include:

- based on natural communities and population centres;
- developed with communities, leveraging existing assets;
- multi-agency, informal partnerships of local stakeholders; and
- setting community priorities and creating a Local Action Plan.

The proposed model for community governance includes three critical elements:

The Vision for Warwickshire communities

A unified council creates a **joined-up public service experience**.

Residents will benefit from **coordinated support across health, education, housing, and policing**, with **preventative services** embedded to help people earlier and more effectively - reducing crisis interventions and improving long-term wellbeing.

3) Town and Parish Councils

Town and Parish Councils would have the opportunity to take on devolved assets and services. The approach will be flexible and collaborative; offering a list of devolution options that allow Town and Parish Councils to take on responsibilities aligned with their capacity, appetite, and local priorities.

New Town and Parish Councils will be created in areas that do not currently have them including Bedworth, Bulkington, Nuneaton and Rugby.

Principles of working with Town and Parish Councils could include:

- **Building on strong foundations:** the new Warwickshire Council will build on existing relationships and structures to foster collaboration and continuity. These relationships provide a trusted platform for engagement, enabling shared learning, co-design, and a consistent approach to local governance while recognising the important and distinct role that Town and Parish Councils play.
- **Flexibility:** The flexible framework supports tailored arrangements that reflect the diversity of communities, empowering councils to shape their role in service delivery and local leadership.
- **Community-centred:** Town and Parish Councils will continue to play a key role in local democratic accountability, acting as visible and trusted leaders within their communities.
- **Financial neutrality** - that any devolution would be financially neutral, and, at the point of transfer, would ensure Town and Parish Councils are adequately resourced to undertake any additional functions and services.

Councillor numbers

Current position

- Electorate for Warwickshire based on 2025 data is 461,453
- WCC has 57 councillors over 57 divisions, average of 1:8,096 ratio
- DC/BCs have a total of 200 councillors over 108 wards, average of 1: 2,307
- DC/BCs have wards of 1, 2 and 3 councillors – no uniformity of ratios/ councillors per ward
- Last WCC review 2015, latest DC/BC review North Warks – under review
- Recognised need for a full review given growth in Warwickshire

Boundary Commission Criteria

- The need to secure equality of representation
- The need to reflect the identities and interests of local communities
- The need to secure effective and convenient local government

- Our proposal on an interim basis pending a full Boundary Commission review is to double up the number of councillors in existing county divisions leading to 114 elected members
- Although above the Boundary Commission upper limit of 99;
 - It presents a simple solution which retains the existing county council divisional boundaries, which are established and recognisable, as the interim building block
 - It would result in an average of 4,047 electors per councillor based on 2025 electorate data which provides equality of representation and is comparable to other unitary councils
 - It is relatively close to the Boundary Commission number of 99 (+15) and would not require changes to divisional boundaries which would require a disproportionate amount of attention and engagement for a short interim period given there would be a full Boundary Commission review post vesting
 - It would provide sufficient councillors to engage with and discharge expected committees including scrutiny committees, securing effective and convenient local government
 - It would provide the representation required to reflect the identities and interests of local communities pending a full Boundary Commission review without creating a democratic deficit over the short term

Councillor numbers - options pending Boundary Commission review

Options	Comments
1. Adopt WCC existing divisional boundaries as building block (57) and double up to 2 councillors per division	114 councillors – above Boundary Commission (BC's) upper limit but simple, retains existing divisional boundaries, sufficient to discharge governance requirements and allows for a full boundary review following vesting day
2. Adopt the DC/BC ward boundaries as the building block with 1 councillor per ward	108 councillors - above BC's upper limit but retains existing ward boundaries and allows for a full boundary review following vesting day. Would likely result in significant electoral variances
3. Option 1 but scaled back (-15) to upper Boundary Commission number of 99	99 councillors – meets BC upper limit, would require boundary changes or 15 divisions having a single councillor on an interim basis. Would likely result in electoral variances in some areas.
4. Option 2 but scaled back (-9) to upper Boundary Commission number of 99	99 councillors – meets BC upper limit, would require boundary changes or reducing a number of 2/3 member wards on an interim basis. Would likely result in significant electoral variances.
5. Calculation based on governance requirements (number of committees, number of seats)	91 – 97 councillors – Likely closer to 97. Assumes a similar ratio of councillors to seats as in current model (57:64 or 0.89 councillors per seat) with an assumption of 7.5% of councillors sitting on more than one committee. Would require boundary changes on an interim basis and BC involvement
6. Calculation based on electoral equality (5,000 electors per councillor) with new divisional boundaries	92 councillors – would require the merging or redrawing of boundary lines to standardise electoral equality but does not take account of future growth/ development potential prior to or close to shadow elections. Would require boundary changes on an interim basis and BC involvement



What makes Public Service Reform distinct?

Public Service Reform is enabled by Local Government Reorganisation and will build on creating a more engaged, effective and efficient Council. Public Service Reform will have distinct features to drive positive outcomes:

Technology	Public Services utilising digital innovation and data, technology and AI to open opportunities to coordinate action, drive effective service delivery, reduce costs and improve outcomes for residents.
System-wide	Transformation planned and delivered at a system level with shared ambition, goals and resources.
Relational	Public Services that are relational, tailored to individuals' needs and different places. Working 'with' the people of Warwickshire, not doing to or for, ensuring they can say "Nothing about me, is done without me."

How will partners work together?

Public Service Reform will build on existing strong relationships across the county. It marks a new way of partners working together to improve the lives of Warwickshire residents.

Test, Learn and Grow	Change will be developed through a flexible and iterative approach, enabling co-production and ensuring the specific needs of different parts of Warwickshire are met.
Integrated Leadership	Integrated, countywide leadership will enable the sharing of ambition, responsibility and risks across sectors and open up opportunities for integrated, preventative working, integrated budgets and value for money.
Community Powered Warwickshire	Public services will be aligned to the unique needs, strengths and aspirations of the people in our local communities.

Connection with communities

Public services will reflect the unique strengths and needs of Warwickshire's different communities. Residents will be involved in shaping and delivering the services that matter to them and shaping the future of their communities and places.

Integration by default

Services will work together to create smooth, joined-up experiences for those needing support, ensuring residents receive the right help at the right time.

Prevention First

Working upstream to provide early support to those who need it and moving away from costly crisis intervention. It will reduce long-term costs by understanding the root causes of problems, removing waste and duplication and ensuring residents receive timely, effective support that improves outcomes.

Warwickshire Futures – ambition for Public Service Reform

Public Service Reform will deliver a once-in-a-generation redesign of how crucial public services are delivered in Warwickshire and is the most fundamental element of the benefits of Local Government Reorganisation.

- Partners will work together, putting residents first to address complex challenges through integrated solutions informed by deep local knowledge.
- Services will be joined-up in clear pathways that prioritise upstream prevention and people and communities will be empowered, to shape, design and deliver local services.
- By working as one system, with shared ambition and goals, change will be delivered at scale and with pace.

Partners will challenge and support one another to shift behaviours radically, embrace and utilise innovation, and act differently, with the common core goal of improving lives and outcomes for communities, helping business grow and enhancing people's life opportunities in Warwickshire.

This approach will build on Warwickshire's strong track record of innovation including: Creating Opportunities, Community Powered Warwickshire, South Warwickshire Local Plan, Integrated Care System Place Boards, Homes for Ukraine, LEADER agreement with North Warwickshire Borough Council, Hinckley and Bosworth Borough Council and DEFRA, Business Growth Warwickshire Programme, Families First for Children Pathfinder, Warwickshire Property and Development Group and the Level 2 Devolution Deal.

Public Service Reform as transformation

Local Government Reorganisation provides the platform required for system wide Public Sector Reform, which in turn will enable continuous change and improvement for people and communities in Warwickshire.

Theme	Local Government Reorganisation
Engaged	Reorganisation can enhance local accountability and community engagement by creating structures that are more transparent, accessible, and responsive, creating better outcomes for residents.
Efficient	Streamlining structures and reducing duplication across councils will lead to cost savings, faster decision-making and better targeting of resources.
Effective	A single authority would have clearer strategic direction, improved service delivery and stronger capacity to tackle county-wide challenges such as housing, transport and public health. Redesigning the public service system to improve outcomes will reduce long-term costs and improve value for money.
Example	Local Government Reorganisation
Council on the high street	Maximising the benefits of bringing all services together in a single Council, co-locating council teams in community/health hubs across the county.
Community voice	Local Committees and Community Networks incorporate community voice into decision making.
Data	Multiple access points through consistent & integrated front doors for council services in Warwickshire, bringing together data and a single view of the resident to support solution-focused, preventative approaches.



Public Service Reform
Residents will be actively involved in designing and delivering services, creating genuine connection between public services, people and place.
The integration of public services will breakdown organisational barriers, giving residents a smooth, joined up pathway to receive the tailored support they need.
Digital and data transformation will align public service provision around a clear purpose of prevention to help people live their best lives by tackling root causes and providing early support.
Public Service Reform
Co locating public sector partners to create one stop shops and access points for residents.
Public services across Warwickshire designed with residents.
Joining up public service data and using predictive analytics to support efficient use of resources.

Public Sector Reform Top 10 opportunities

Public Services, with partners, will work together to tackle core missions to improve residents' lives: incomes, skills, health, education, crime, transport & poverty.

1. **A joined-up, slicker, and quicker planning process** with partners to support the faster, simpler and more cost-effective delivery of the infrastructure and homes we need.
2. **One-stop shops in Warwickshire towns** where public services are co-located, utilising existing community anchors such as libraries.
3. **Technical and vocational education opportunities** for young people to meet the needs of the local economy and businesses.
4. **Wraparound support** for mental health, substance misuse, and employment.
5. **Joined up support** by bringing health and care teams together in local areas to make it easier for people to get the support they need. This includes health, public health and social care working side by side in neighbourhoods to help prevent problems before they happen.
6. **Enhancing the business experience** through joined-up, integrated support for the setup, scale-up, and growth of businesses.
7. **Utilising the regulatory reach** of trading standards, Public Health, the Fire and Rescue Service, environmental health, and licensing to take a whole-system approach to tackling complex challenges.
8. **A public service strategy for regeneration** across town-and rural areas.
9. **Public services committed to place-based relational working and starting with strengths**, with Community Networks that provide opportunities for residents to have their say and influence changes that affect them.
10. **Joined-up digital, data, and community solutions** to tailor the support people need, enabling them to tell their story once and receive help more quickly.

Current Practise

Lillington Community Action Forum (LCAF)

The LCAF brings together a wide range of local groups, and partners to coordinate community-led action; amplifying local voices and supporting initiatives that improve wellbeing, inclusion, and neighbourhood pride. Standout projects like Arty-Folks' Window Wonderland, the Sunflower Campaign and Mosaic Mural have transformed public spaces through creative collaboration, uniting communities around environmental enhancement and collective action.

Community Powered Mancetter & Ridge Lane

A community-powered pilot in Mancetter and Ridge Lane has brought together local residents, councillors, voluntary groups, and police to tackle shared priorities. Quarterly meetings drive action through a joint plan shaped by the community. Key outcomes include highways improvements, a junior Police Community Support Officer scheme in local schools, Social Fabric Fund investment into local projects and initiatives, and targeted events like a cost-of-living support showcase. Improved collaboration and information-sharing have strengthened local networks.

Warwickshire's Health and Wellbeing Board

Warwickshire's Health and Wellbeing Board (HWBB) drives collaborative leadership to improve health and wellbeing and reduce health inequalities across the county. The purpose is to drive improvements in local health outcome through integration, collaboration, and focusing on prevention. The forum brings together leaders from across the NHS and local authority to set the strategic direction for how these improvements will be made.

How Public Service Reform can help

Local Government Reorganisation presents an opportunity to scale LCAF's community-led impact. By formalising as a collective voice, LCAF can access larger funding streams and deliver more ambitious, joined-up projects aligned with local priorities. Its place-based approach positions it to shape services that reflect the needs of Lillington residents. With stronger recognition and support, LCAF can build long-term capacity and secure the future of grassroots initiatives.

The focus on Warwickshire's Communities and community empowerment builds on community resilience by empowering residents to lead change and reduce reliance on statutory services. LGR offers a chance to embed this model more widely. This will simplify structures, clarify roles, and enable more responsive, joined-up services rooted in local needs.

Local Government Reorganisation and Public Service Reform will significantly enhance the HWBBs strategic leadership role, enabling more integrated and efficient services, better-informed decision making and permitting services to be more responsive to resident needs and wider determinants of health. Crucially, this joined-up approach will give the HWBB a more holistic view of communities, strengthening its ability to align cross-sector services and deliver solutions at pace.

Warwickshire Place : Devolution ambition

Vision: Warwickshire Devolved powers

A single council strengthens Warwickshire's voice in national and regional decision-making, unlocking **greater investment in housing, transport, skills, and green infrastructure**. This means **more jobs, better connectivity, and greater opportunities** for residents from all communities.

- Warwickshire alone does not meet the minimum population size set by government of 1.5m for a strategic authority.
- Warwickshire shares a border with six other counties and the WMCA area (Coventry, Solihull and Birmingham), the only strategic authority in the region is the West Midlands Combined Authority (WMCA) which is an Established Mayoral Strategic Authority with a Trailblazer devolution deal (powers and resources). Potential configurations and an initial assessment of the Strategic Authority options for Warwickshire are set out subsequently.
- The WMCA was formed in 2016 on the footprint of the three [then] Local Enterprise Partnerships (LEP) – Birmingham and Solihull, the Black Country, and Coventry and Warwickshire. All six Warwickshire local authorities are non-constituent members of the WMCA.
- Coventry City Council is a full constituent member of the WMCA and is not seeking to leave the WMCA to form another arrangement.
- To align with the Government's principles for devolution agreements, it is anticipated that, regardless of the number of unitary authorities, the whole of Warwickshire would need to be covered by the same Strategic Authority.
- Assessment of strategic authority options against Government criteria and economic factors show the WMCA to be the best option for Warwickshire and the region.
- Becoming a full constituent member of the WMCA aligns with the existing Coventry and Warwickshire functional economic geography and the Coventry and Warwickshire Integrated Care System boundaries.
- Joining the WMCA an Established Mayoral Strategic Authority accelerates and provides access to the highest level of devolved funding and powers for Warwickshire compared to creating a new Mayoral Strategic Authority with neighbouring counties on a very wide geographical footprint.



Vision: Warwickshire Devolved powers

A single council strengthens Warwickshire's voice in national and regional decision-making, unlocking **greater investment in housing, transport, skills, and green infrastructure.** This means **more jobs, better connectivity, and greater opportunities** for residents across all communities

A Warwickshire Council will optimise further devolution opportunities, by:

- ✓ Continuing Warwickshire's devolution journey, building on the Level 2 devolution deal, by enabling Warwickshire to join a Strategic Authority, securing maximum powers and resources through devolution.
- ✓ Exercising greater strategic influence over targeted initiatives delivered over a wider Strategic Authority geography including economic growth, spatial and infrastructure planning, transport, housing and employment pathways.
- ✓ Aligning Local Growth Plans to help attract investment aligned with local priorities to support development of key growth sectors.
- ✓ Offering a single strategic voice for Warwickshire into the Strategic Authority, strengthening the ability to secure and deliver on local priorities.
- ✓ The whole of Warwickshire being part of a Strategic Authority, in line with the Government's principle of 'alignment' between devolution and public sector boundaries.
- ✓ Preserving the connected identity of Warwickshire with sufficient proximity for residents to engage with the Strategic Authority and hold it to account.

Warwickshire borders six counties and has multiple options for Strategic Authority configuration, below is an initial assessment of strategic authority options against Government devolution criteria.

Options	Devolution White Paper Criteria							
	Feasibility	Population	Economies	Contiguity	No devolution island	Delivery	Alignment	Identity
1 - Join the existing West Midlands Combined Authority as a full (constituent) member	✓	High	High	✓	✓	High	High	High
2 - Join a new strategic authority including Warwickshire and Worcestershire which could also include Herefordshire	✓	High	Medium	✓	✓	Medium	Medium	Medium
3 - Join a new Warwickshire, Worcestershire, Gloucestershire, Herefordshire strategic authority	✓	High	Medium	✓	✓	Medium	Low	Medium
4 - Join a new strategic authority including Warwickshire, Leicestershire, Leicester City and Rutland	×	High	Medium	✓	✓	Medium	Low	Medium
5 - Join a new strategic authority including Warwickshire, Oxfordshire, Worcestershire and Gloucestershire	×	High	Medium	✓	✓	Medium	Low	Medium
6 - Join a new strategic authority including Warwickshire, North Northamptonshire and West Northamptonshire	×	High	Low	✓	✓	Medium	Low	Medium
7 - Join a new Warwickshire, Oxfordshire, Buckinghamshire and Berkshire strategic authority	×	High	Low	✓	✓	Low	Low	Low

Current Practice

Working with the WMCA

The West Midlands Combined Authority's West Midlands Investment Zone is a strategic initiative designed to accelerate innovation, attract inward investment, and create high-quality jobs across the region. Warwickshire is central to this ambition, with the Coventry and Warwick Gigapark forming a cornerstone of the zone's delivery. The Gigapark offers the infrastructure, scale, and location needed to support mass battery manufacturing, supply chain activity, recycling, logistics, and skills development.

In Warwickshire's largest town, the WMCA have invested over £100 million into Transforming Nuneaton, aimed at creating a thriving, vibrant town with an ambitious and aspirational programme of mixed-use development including residential, leisure and offices, anchored by Warwickshire County Council's Nuneaton library and business centre.

How Devolution helps

With LGR and further devolution, Warwickshire can unlock future WMCA funding, building on this strong relationship to take on a stronger role in shaping regional investment and unlock similar projects across the county by accelerating delivery, attracting funding, and ensuring infrastructure and skills match local needs.

Warwickshire's Fair Chance Employment Programme

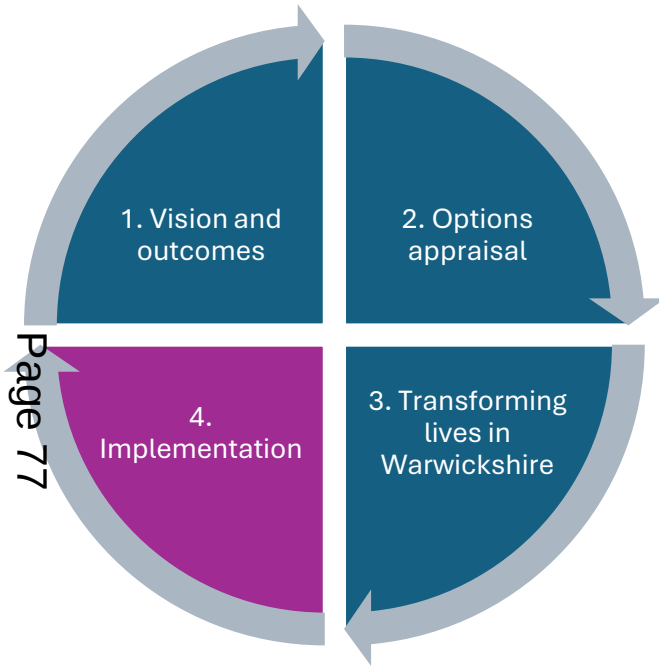
Warwickshire County Council's Fair Chance Employment Programme is an innovative initiative developed with local employers to make recruitment more inclusive, flexible, and accessible. Delivered by the Warwickshire Skills Hub, the programme helps businesses reshape job opportunities to better support individuals who face barriers entering the workforce, helping employers access untapped talent and remove barriers to employment. Central to this is the Fair Chance Jobs Portal, which showcases high-quality roles designed with progression pathways and inclusive practices, reflecting a commitment to levelling up employment access across the county.

LGR and further devolution offers Warwickshire the chance to shape a more locally responsive skills system. Building on the authorities Level 2 Devolution Deal, which transfers responsibility for 19+ skills provision from 2026, the authority can pursue additional devolved powers, such as Free Courses for Jobs, Skills Bootcamps, and careers education. These opportunities would enable Warwickshire to expand and tailor initiatives like the Fair Chance programme, ensuring employment and skills support meets local needs and delivers real impact.

Local Government Reorganisation : The opportunity

Meeting the Government Outcomes	Warwickshire Council (Local Government Reorganisation)	Warwickshire Communities (Public Service Reform)	Warwickshire Place (Devolution)
Homelessness & Housing	Integrated housing and social care services to better support temporary care, a focus on care at home and accommodation with care and to develop end-to end solutions for children, adults and families.	Joined up, system wide solutions across health, police and local government, to ensure good quality housing and preventing homelessness.	Devolved powers and funding to accelerate housing delivery; ability to lead pilot schemes testing new approaches addressing homelessness and increasing affordable housing.
Multiple disadvantage	Building on Creating Opportunities to develop a consistent and targeted approach to supporting residents facing multiple disadvantages in the most deprived communities.	Joined up, preventative approaches with partners from health, police, VCSE to develop a holistic response, reduce crisis intervention and improve long-term outcomes.	Access to regional pilots and integrated settlement for targeted interventions to reduce inequalities across the county.
Best start In life, child safety and child poverty	Improved early years coordination across health, education, housing and social care, building on Families First Pathfinder to develop a local offer and ensure no child falls between systemic gaps.	PSR embeds a system wide approach to prevention through early intervention and collaboration, reducing child poverty and positive outcomes in children's crucial early years.	Regional data sharing and access to regional Early Years pilots, building on lessons learnt from neighbouring authorities and local successes.
Every child achieves & thrives	Placing the child at the centre of service provision across ages and key stages, with joined up data sharing.	Full partnership solutions to SEND and other long-term challenges, to reduce educational inequalities, improve attainment and maximise inclusion.	Connecting learning pathways to post-16 skills opportunities and local labour needs for complete 0-18 educational journeys.
Health and wellbeing	Health partnerships extending to all elements of local government services, including leisure and parks, enabling place-based interventions and holistic wellbeing, embedding Health in all Policies to reduce inequalities.	Focus on addressing wider determinants of health and commitment to early intervention and prevention, to achieve shared priorities to improve healthy life expectancy and people's well-being.	Statutory health duty; integration of health priorities with regional growth agenda and Anchor Alliance organisations.
Adult social care Independence & neighbourhoods	Maintaining a countywide service with the required scale for effective commissioning. Tailored local delivery options meet need in different places, maximising healthy, independent living.	Embedding neighbourhood models for integrated health and care, ensuring all residents have access to the services they need to live healthily, happily and independently.	Statutory health duties, regional strategic partnerships with health bodies and powers to shape regional adult care strategies.
Community Safety	Community Safety Partnership with unified leadership and streamlined links to partners enables a county wide strategic approach, tailored locally.	Collective use of data with partners, community engagement and developing a system-wide approach to reducing crime and reducing fear of crime.	New partnerships across Police & Crime Commissioner, Police, Community Safety using unlocked funding to implement new approaches for Violence Against Women & Girls & Serious Violence Prevention
Environment	Bring together waste collection, disposal and recycling to enable better route and schedule optimisation. Coordinated approach to protecting accessible green spaces.	System wide approach to support access to green spaces and engage with community-led environmental initiatives.	Devolved powers for Local Area Energy planning, Heat Network zoning and funding for Retrofit schemes.
Infrastructure, Transport & Planning	Rapid improvement of transport links. Joined up planning, better connections across the county, and integrated transport programmes. A reformed, holistic approach to planning with streamlined governance and decision making with a single council accelerating delivery of housing and infrastructure.	Integration of strategic and local planning transforms planning system in Warwickshire, delivering quicker housing and infrastructure and reducing costs.	Devolved powers relating to highways and public transport e.g. bus franchising, trains, regional cross-ticketing and consolidation of transport funding. Devolved funding for regeneration; powers to raise additional funding for strategic infrastructure; strategic partnership with Homes England.
Economic prosperity	Countywide approach to support economic growth and investment, with an integrated business support offer and all levers of economic growth in a single tier of council.	Building on powers over adult skills funding, working with public sector partners to align workforce planning and improve access to roles.	Devolved powers to join up youth and adult skills provision with employment support and regional labour needs.

Section 4 - Implementation



This section sets out the headline approach to implementation alongside supporting evidence

Sections

- Implementation planning
- Supporting evidence

A comprehensive implementation plan provides the structure, clarity, and coordination needed to manage a complex and significant transition. It will play a critical role in:

- Protecting Warwickshire's most vulnerable residents.
- Safeguarding the continuity of statutory service delivery.
- Establishing the foundations for long-term transformation and innovation.
- Supporting staff and organisational readiness to ensuring a safe and successful Vesting Day and maintaining service/business continuity.
- Enabling effective communication and engagement, building trust and transparency through structured engagement.

Aligns resources and responsibilities across existing authorities and enables coordination of resources.

Considerations for Implementation Planning:

- Strong leadership unifying citizens, partners and staff through the transition to a new organisation.
- All partners collaborate to create a clear identity, vision and values for the new organisation. One that delivers for all communities.
- Early and continuous engagement with stakeholders to build trust in the new organisation.
- Early planning from all organisations involved will be required to ensure sufficient skilled resources to support the transition to a new organisation in a timely way.

Timeline and Key Dates

Final Submission
28 November 2025

MHCLG Decision Point
Summer 2026

Shadow Authority Elections
May 2027

Vesting Day
April 2028

Design & Planning October 2025 – May 2026

- Baseline and review - organisational data
- Create Implementation Plan
- Establish Programme Governance and Team

Pre-Shadow Authority June 2026 – May 2027

- Develop legal documents, strategy frameworks and operating models
- Shadow election planning.
- Establish programme management
- Agree benefits realisation framework

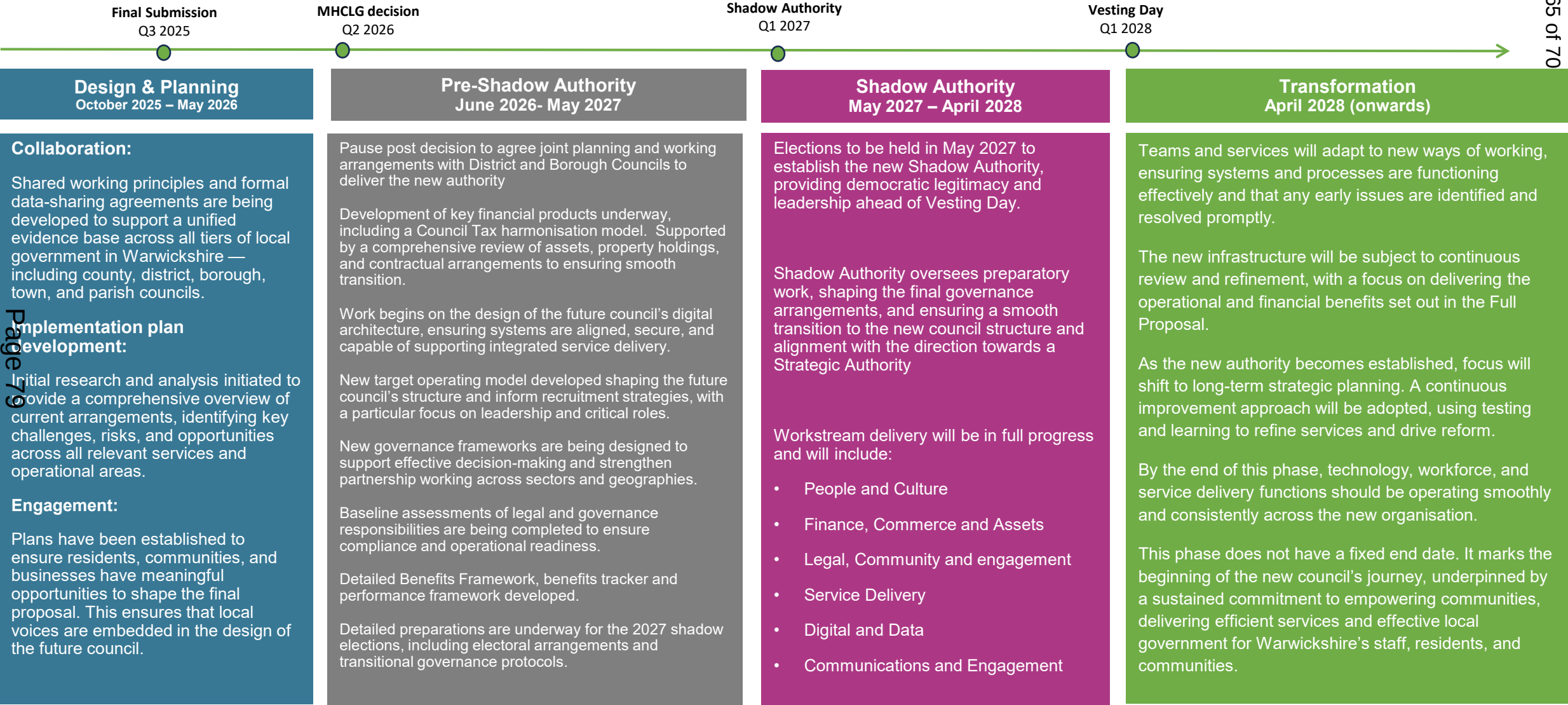
Shadow Authority May 2027 – April 2028

- Shadow Cabinet in place and new Senior Officers appointed
- Core systems and structures tested pre-vesting day
- Communication and change management progressed

Transformation April 2028 onwards

- Statutory powers transfer to the new authority
- Transformation opportunities sought moving forward
- Embed new structures, branding and communication
- Track Benefits delivery

Warwickshire’s high-level overview of our programme approach to LGR, structured across four key phases leading up to Vesting Day and beyond.



Benefit headlines to be included within the benefits framework (to be created in pre-shadow year)

Warwickshire Places (Devolution)

Strategic planning – delivering data led integrated planning and delivery

Community impact – tailored to local needs

Economic growth – the right jobs with the right investment in the right place

Better infrastructure – great transport links, suitable housing and access to local skill development

Example measures:

- Outcome indicators
- Job growth
- Business feedback on availability of skills locally

Warwickshire Communities (Community Powered, Public Sector Reform)

Improved service delivery – joined-up service delivery shaped around local needs and outcomes

Stronger collaboration – across health, education, housing and policing

Community impact – preventative services focused on local need improving community well-being

Governance and accountability – community involvement in shaping local services

Example measures:

- Resident satisfaction surveys

Warwickshire Council (Local Government Reorganisation)

Financial efficiency - removing duplication

Governance and accountability - simpler, clearer access

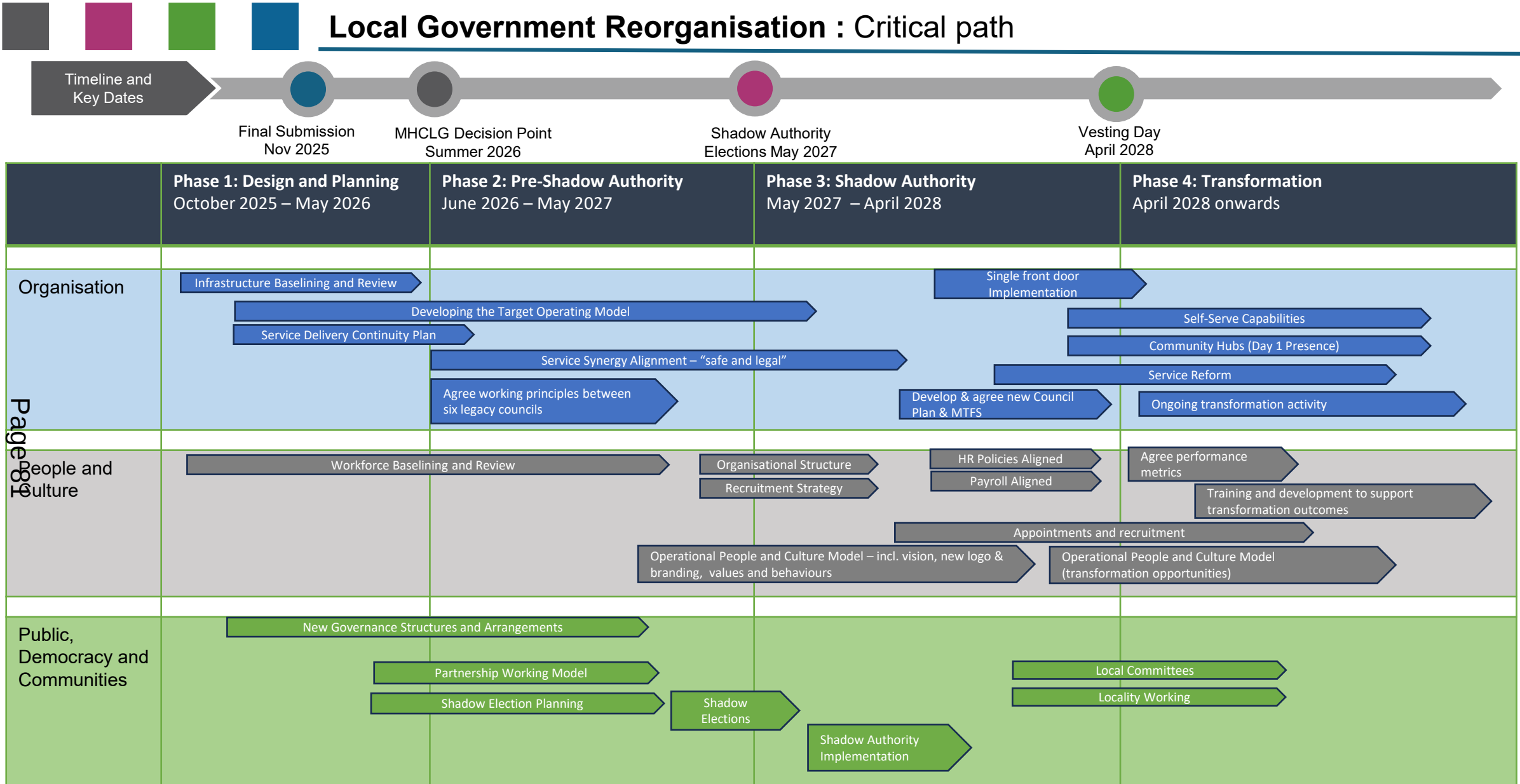
Improved service delivery - faster responses

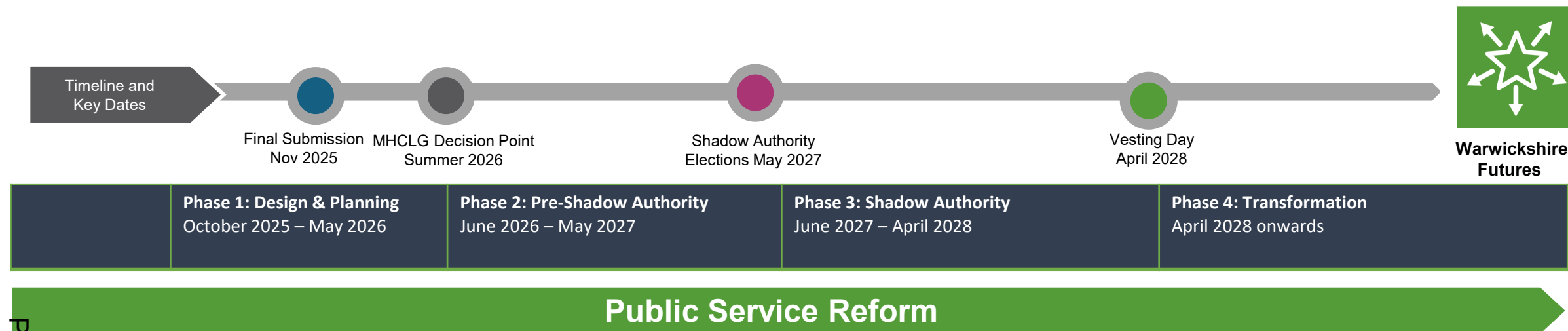
Strategic planning - system-wide integration

Example measures:

- Cost savings
- ROI on transformation
- Budget alignment
- Customer satisfaction

Local Government Reorganisation : Critical path





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To deliver Public Service Reform and ensure benefits are realised, work needs to start now and be embedded at every stage of creating a new model of Local Government.

Public Service Reform principles need to be a part of implementation especially across Phase 2: Pre-Shadow Authority and Phase 3: Shadow Authority

For example:

- Developing the Target Operating Model
- Partnership working model
- Organisational Structure
- Operational people and culture model
- Council Plan and MTFs Development
- Single front door implementation
- Locality working

Supporting Evidence for full submission to Government



Evidence to support final submission

This section summarises the key information and insights that have informed the development of the final proposal. The evidence is supporting information and methodologies where relevant to the overall strategic case. The final submission to government will include a suite of documents comprising the final proposal and the evidence listed below. A checklist for government will be included within the final proposal to demonstrate how the proposal meets government criteria and responds to interim plan feedback.

Financial Case: • Financial Assumptions • Detailed Costs and Savings • Council Tax Harmonisation • Financial Sustainability Modelling	Evidence base for Preferred Geography: • Demographics • Economic and infrastructure Data • Service Impact	Public Engagement: • Voice of Warwickshire Survey Report • Public Survey Report • Town & Parish Council Survey Report
Community and Formal Governance: • Council Size • Local Committees • Community Networks • Formal Governance • Community Powered Warwickshire	Partner Engagement & Support: • Stakeholder Feedback • Partnership Mapping and roles	Government Correspondence • Invitation Letter & Schedule • Feedback Letter

Appendix 2

LGR in Warwickshire – Cost/Benefit Analysis

Version 2.0
September 2025



1 | Executive Summary



Key Messages from Analysis

A single unitary offers the more compelling financial argument than a two unitary model, with increased net benefits over time and a shorter payback period. A single unitary model will support the easing of financial pressure across Warwickshire’s councils.



A single unitary offers the most compelling financial argument

Gross Annual Benefit	One-off Transition Costs	Payback Period ¹	Annual Savings per Resident ²
£18.7m	£22.3m	2.9 years	£30

A single unitary eases financial pressure on Warwickshire, whilst two unitaries worsens the financial position

Key messages from comparison of single unitary and two unitary scenario include:

- A single unitary delivers **over 3x higher recurring annual net benefit** from reorganisation compared to a two unitary scenario.
- **~ 30% lower transition costs** for reorganisation in a single unitary scenario compared to a two unitary scenario and no disaggregation costs would be incurred in a single unitary scenario. Therefore, transferring existing County Council services and staff to a single successor body avoids the complexities and expenses often linked with splitting departments or functions and disaggregating staffing structures for current County-wide services.
- Five years post-vesting, aggregation to a single unitary model **would ease financial pressures across Warwickshire by £57.1m**, whilst a two unitary model **worsens the financial position by £11.0m**. This means that more funding will be required for significantly less financial gain and **£68.1m of lost financial opportunity (see slide 9 for further explanation)**.
- A single unitary scenario provides a better springboard for transformation. Ten years post-vesting, a single unitary authority could realise **~ 50% greater benefit from carrying out additional base transformation compared with a two unitary option (an additional £46.7m)** and **over 60% greater benefit from carrying out additional stretch transformation (an additional £72.3m)**.

1. 2.9 years from first transition costs incurred in Y0 (2027/28, i.e. pre-vesting year)
2. Based upon annual savings once phased at 100%, 3 years post-vesting



Financial Analysis | Summary of analysis

This section outlines the savings that can be achieved across three key scenarios for unitarisation and the associated costs, regardless of whether the county moves to one or two unitaries:

Like many local authorities nationally, **Warwickshire’s current model of local government, involving 6 Councils, is not best structured to meet the financial challenges local government will face over the coming years.**

There are therefore opportunities to reduce costs by streamlining the number of local authorities, including:

- Structural reform through **unitarisation provides several opportunities to deliver financial benefits in the short and long term, through harmonising ways of working to deliver efficiencies.**
- In addition, **there are several opportunities to deliver additional savings through transformation.**

Reorganisation	Bringing together Councils across Warwickshire to reduce duplication of management, drive consistency in service delivery, and leverage economies of scale to reduce operating costs. This harmonises without fundamentally transforming ways of working.
Base Transformation	The lowest expected costs and benefits from transforming internal council processes, changing the way services operate, and redefining service offers, whilst unitarising.
Stretch Transformation	An ambitious case for significant transformational change in line with public sector reform, working internally and externally with public sector partners, e.g. significant tech investment, considering radical alternative delivery models etc., whilst unitarising.

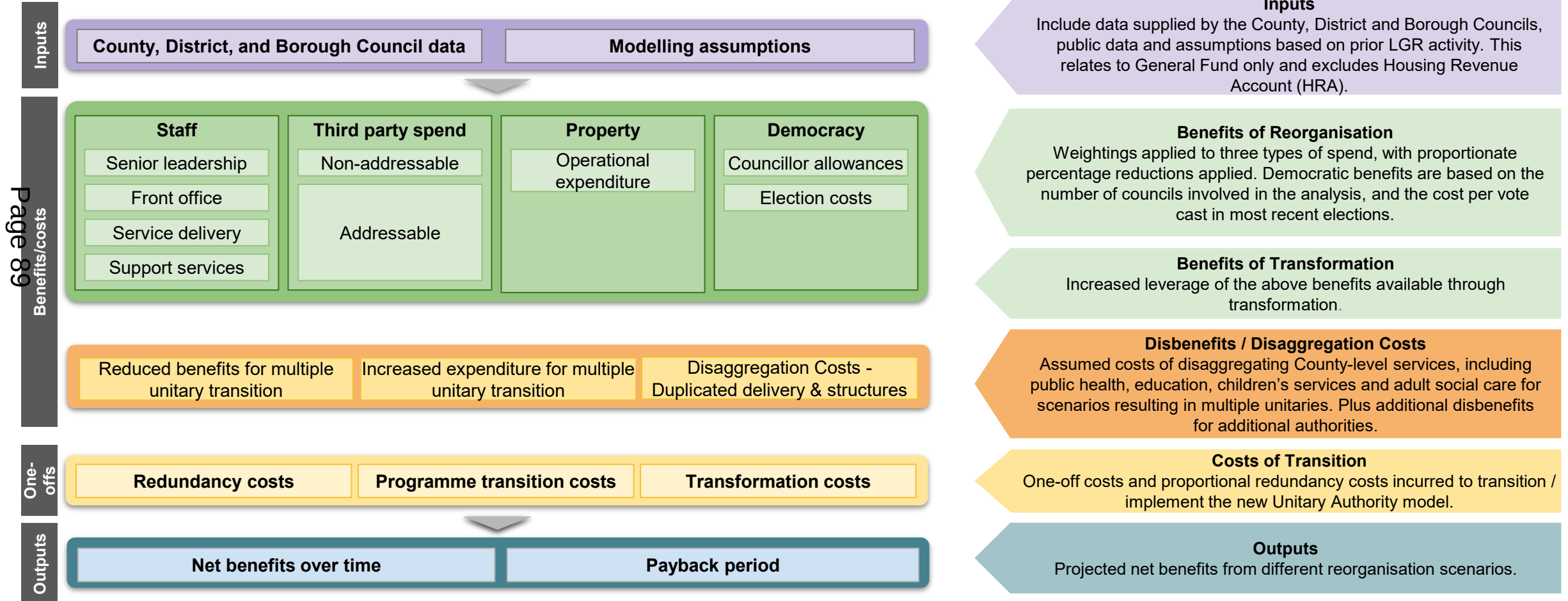


Based on this analysis, **a single unitary option is the most favourable financial option for Warwickshire:**

- Delivers **3x higher recurring annual net benefit** from reorganisation compared to a two unitary option.
- **~30% lower transition costs** for reorganisation compared to a two unitary option and no disaggregation costs.
- Provides a better springboard for transformation. Ten years post-vesting, a single unitary option could realise **almost 50% greater benefit from additional base transformation and over 60% greater benefit in additional stretch transformation.**

Financial Analysis Approach

The base financial analysis conducted for Warwickshire LGR is outlined below. This details the baseline data, assumptions, and calculations underpinning cost and benefit drivers.



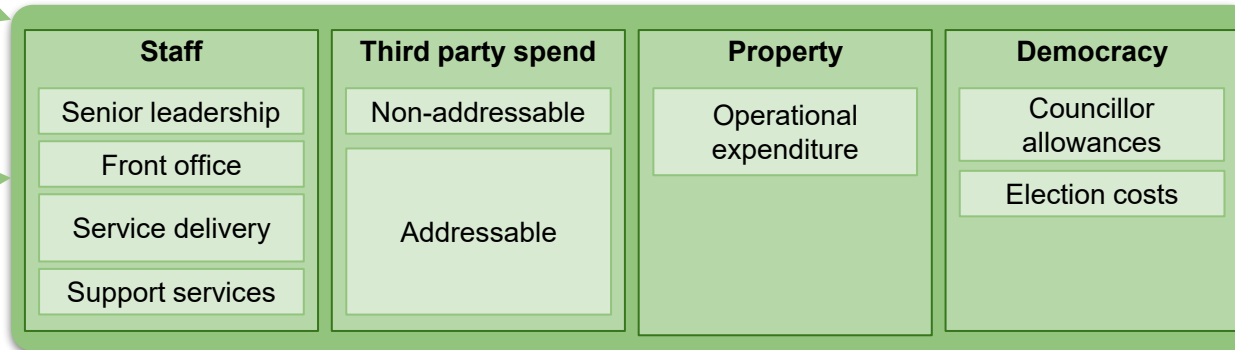
Costs and Benefits of Local Government Reorganisation

The financial analysis model relies on several assumptions, primarily based on publicly available outturn data, information from each council's own transparency data, and the application of cost/benefit projections, informed by previous LGR proposals.

Third-party spend refers to all payments made by local councils for goods and services from external suppliers, excluding grants and other charges. Addressable spend is the portion of this expenditure that can be influenced through procurement or commissioning strategies such as negotiating contracts or seeking competitive bids. This is the service expenditure used to calculate contract savings. In contrast, non-addressable spend includes costs that are less flexible and mandated by law, making them harder to influence.

Property expenditure relates to the cost associated with maintaining, and managing both **operational** properties (used for delivering council services) and **investment** properties (held for income or capital appreciation). This includes expense such as maintenance, utilities, insurance and management fees. This data is used to determine potential benefits from estates consolidation.

FTE (full-time equivalent) is calculated as a proportion of spend as supplied in public spending data. **Net revenue expenditure** is used to avoid double-counting any income or grant transfers. Savings have been calculated as a portion of FTE spend. **Senior leadership** salaries are calculated across the top three organisational tiers as per transparency reporting.



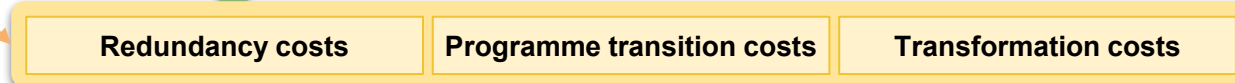
Member allowances are based on rates of Basic and Special Responsibility payments published in transparency reporting. These costs are used to determine the likely cost of one or more new democratic structures in new authorities.

Election costs: total votes cast over the last four years across all District and Borough Council elections divided by four to give an annual figure, multiplied by a cost-per-vote of £3.

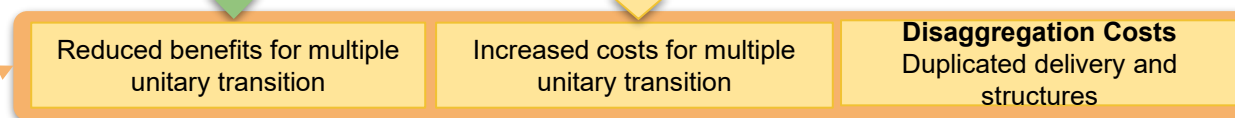
Redundancy costs includes pension strain and a payment of 85% of salary is assumed.

Increased benefits across Staff and Third Party Spend

Benefits are profiled to be fully effective in Year 3, to account for the need to complete staff changes and undertake contract renegotiations.



Costs such as the creation of new councils, marketing, ICT and consultation are increased proportionately where more than one new council is to be formed. Similarly, fixed **benefits of transition** will need to be shared across all new bodies.



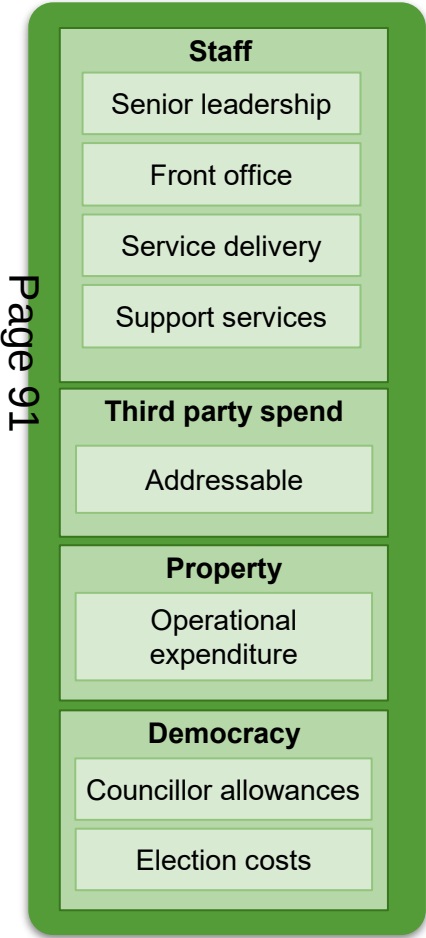
Disaggregation Costs are incurred where an option involves dividing a county level authority into two **unitaries**, and represents the ongoing cost of duplicating management and operations of statutory services, including public health, education, children's services and adult social care. **An element of disaggregated costs therefore recur each year in a two unitary authority scenario.**

Transition costs due to elements of one-off spending relating to creating, marketing, and programme managing transition to one or two new Councils.



Benefits of Aggregation

The financial analysis model relies on several assumptions regarding savings across staff, third party spend, property and democratic spend. See below for the approach taken to estimating savings across each area. See Appendix 1 for the figures used in these assumptions



Staff savings across Front Office, Service Delivery, and Support Services¹ primarily result from the reduction in staff. Reorganisation can lead to increased staffing efficiencies: specialist teams can form, merging staff who previously handled disparate tasks across services. This specialisation process reduces time spent re-learning tasks. A unified management and staff will enhance knowledge sharing of good practice processes and optimise IT systems, creating significant expenditure-saving opportunities. The savings in front office, service delivery and support services will vary depending on the number of authorities. In a single unitary, duplicated activity will be removed across District, Borough and County Councils, whereas a two unitary model will not benefit from the same economies of scale and will require more FTE for disaggregated services.

Senior leadership savings are calculated separately. Under a single unitary, the significant cost reductions are achieved through the consolidation of senior management roles across the County, District and Boroughs. Under a two unitary, net senior management savings will be lower, due to the need for an additional senior leadership team in the second unitary authority.

The savings in **third party spend** are gained from revising third-party contracts: bringing single streamlined contracts across the consolidated Councils, gaining economies of scale from purchasing a contract across a larger geographical domain, consistently negotiating better value contracts/specifications and managing these in a more consistent manner. Contracts where new arrangements might be explored could include waste contracts. Under a two unitary scenario, there will be fewer opportunities to leverage economies of scale and thus lower benefits, and there is the potential for increased competition driving higher costs e.g. two authorities may be created which are both looking at sourcing placements from similar providers.

Savings in **property expenditure** relate to the reduction in operational costs of maintaining and operating the premises from which council services are delivered. These benefits would be accrued thanks to the reduction in staff and consolidation of lower and upper tier authorities' services, allowing the closing or repurposing of underutilised properties and adopting flexible working models to minimise expenses. Merging District/Borough and County property portfolios would enable the creation of single shared service hubs on a place basis, offering consolidated local contact points for all services. Under the two unitary model, there would be less savings owing to the higher number of staff remaining in the resultant authorities and a reduced requirement/ability to consolidate corporate office buildings for each service, including Head Offices.

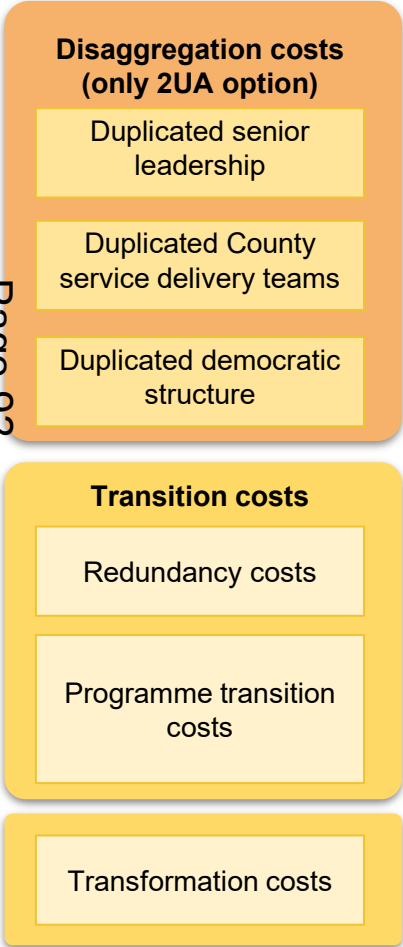
Democratic savings stem from the benefits gained through the removal of elections and Member costs for district and borough councils - there would be fewer elections and councillors required if there are fewer councils. Additional councillors required for the new unitary authority act as a reduction to the saving here. In a two unitary scenario, Special Responsibility Allowance costs and base allowances will be higher, given the increased councillor requirements compared to a single authority.



Costs associated with transition and disaggregation

The financial analysis model relies on several assumptions regarding one-off and disaggregation costs required to create new unitary authorities. See below for the approach taken to estimating costs across each area. See Appendix 1 for the figures used in these assumptions

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Disaggregation Costs are incurred when the County level authority is **divided into two unitaries**, and represents the ongoing cost of duplicating management and operations of statutory services. An element of disaggregated cost recurs annually in the **two unitary authority scenario only**.

Duplicated senior leadership costs refer to those incurred by creating new senior leadership for a second unitary and for disaggregated County services. Each directorate in the second unitary is assumed to need an executive director and three directors. The additional unitary will also need an additional executive director and chief executive at a similar cost level to a one unitary chief executive.

Duplicated county service delivery team costs are the uplifted costs for team management, required to successfully manage disaggregated County services and teams which are split, e.g. social care in second unitary authority. This additional leadership resource would promote team oversight for separated teams and provide team resilience for times with high demands on teams, in a two unitary model.

Duplicated democratic structure costs refer to those incurred for the new Special Responsibility Allowance structure required for a second authority. The additional councillor requirements are calculated as a reduction in savings.

Redundancy costs are directly proportional to staff savings. It is assumed that redundancy costs, including pension strain, are a proportion of the salary. Redundancy costs are higher in the single unitary authority scenario owing to an assumption that a greater volume of staff would be made redundant.

Transition costs include one-off spending relating to creating, marketing, and programme managing transition to a new council. **Costs such as the creation of new councils, marketing, ICT, and consultation** are increased proportionately where two unitaries are formed, owing to the requirement for several parts of the new councils to be designed separately/twice.

Transformation costs relate to additional costs incurred to leverage increased benefits of aggregation and deliver fundamental transformation within new unitaries. **Costs** are increased proportionately where two unitaries are formed, to reflect the requirement for separate design work for the two new councils.



Summary of aggregation analysis

A single unitary offers the more compelling financial argument than a two unitary model, with increased net benefits over time and a shorter payback period. A single unitary model will support with easing of financial pressure across Warwickshire’s councils.

A single unitary offers the most compelling financial argument

Benefits of aggregation

Option	Gross annual benefit (£M) ¹	Additional Annual Costs (£M) (Disaggregation Costs)	Recurring net annual benefit (£M)	Recurring net annual savings per resident (£) ²	One off transition costs (£M)	Net benefit 1 year post-vesting (£M)	Net benefit 5 years post-vesting (£M)	Payback Period (years from first costs incurred) ³
UA	18.7	0	18.7	29.60	22.3	(7.4)	57.1	2.9
UA	14.8	8.6	6.2	9.80	31.2	(24.6)	(11.0)	7.7

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A single unitary offers **significantly greater net benefit** when compared to a two unitary model owing to **over 3 times higher recurring net annual benefit** and **~30% lower transition costs**. This difference is predominantly driven by the additional annual costs of disaggregating services in a two unitary model. Five years post-vesting, this results in a single unitary model easing financial pressures across Warwickshire’s councils by **£57.1m**, whilst a two unitary model worsens the financial position by **£11.0m in cost**. This means that more funding will be required for significantly less financial gain.

Total impact of disaggregating to two unitaries compared to a single unitary model

Impact of disaggregation

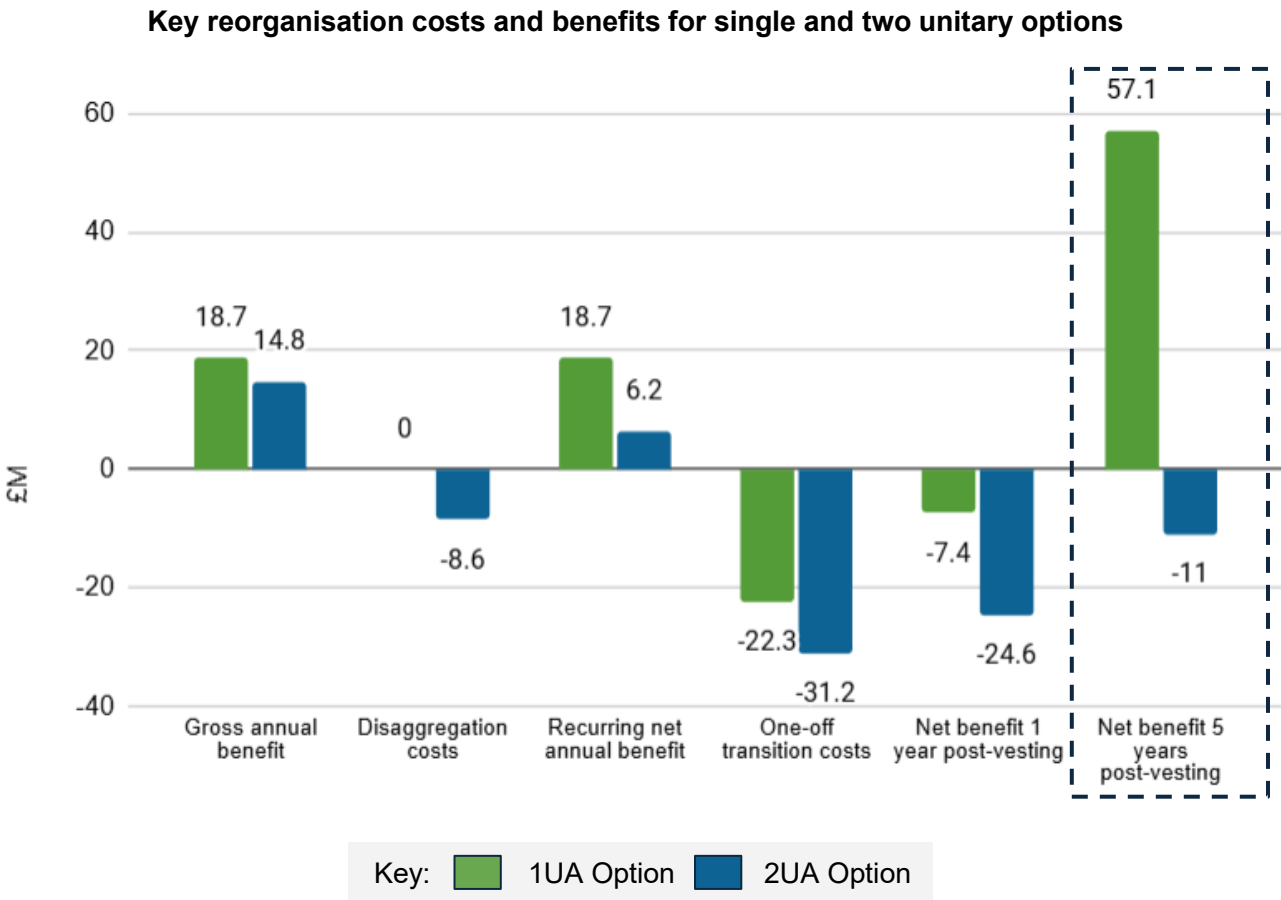
Category	Reduction in benefits from aggregation (£M)	Additional disaggregation costs (£M)	Increase in transition costs (£M)	One-year post-vesting impact	Five-year post-vesting impact
Impact (£m)	3.9	8.6	8.9	£17.2m of lost financial opportunity	£68.1m of lost financial opportunity.
Impact timeline	Ongoing	Ongoing	One-off		

1. Gross annual benefit when at 100% phasing from Y4; 2. Recurring savings per resident when benefits phased to 100%; 3. First costs occurred in pre-vesting year, year 0 (27/28)



Summary of aggregation analysis

A single unitary offers more compelling financial benefits than a two unitary model, with increased net benefits over time and a shorter payback period. A single unitary model would support the easing of financial pressure across Warwickshire.



The single unitary option creates **£68.1m additional financial opportunity** over five years post-vesting compared with the two unitary option. This opportunity could, for example, involve delivering greater third party staffing savings in a single unitary scenario, as outlined on slide 19.

Recurring net annual savings per resident:

1UA - £30
2UA - £10

Phasing

Impact of Phasing

The diagram to the right shows the **phasing that has been applied** within the financial model for Warwickshire. In modelling the impact of costs and benefits, assumptions have been made to reflect realistic implementation timelines.

The benefits are phased over a 3 year period, recognising that some efficiencies, such as senior leadership reductions and redundancies, can be realised quickly, while others, like contract realignment and third-party spend savings, may take longer to achieve.

It is important to note that the benefits of aggregation modelled in the previous two pages relate solely to a transition to unitaries, rather than service redesign and transformation. Any potential improvements arising from broader service redesign are presented as part of the transformation opportunities section.

The phasing of the benefits and costs are based upon the **assumption that Vesting Day would come at the end of Year Zero**, with Y0 as the shadow authority year.

Current phasing assumptions in the cost/benefit of LGR model

Annualised benefits are phased over four years to reflect varying implementation timescales. This accounts for delivery sequencing, governance cycles, and contract durations and assumes progress is made pre-vesting to prepare for LGR. Transformation benefits are not included in this phasing.

All benefit and cost assumptions are informed by County Councils network assumptions around phasing.

	Year 0 ¹	Year 1	Year 2	Year 3	Year 4 -10
Benefits (cumulative)	0%	50%	75%	100%	100%
Transition Costs (one-off)	50%	25%	25%		
Disaggregation Costs		100% ongoing			

Transition costs are one-off and assumed to be incurred over years 0-2.

Disaggregation costs result from dividing existing structures, leading to ongoing expenses for duplicated leadership and functions, excluding service delivery costs. It is assumed that these disbenefits would not create costs until Y1, when the new model is fully implemented and operational.

1. Vesting Day is assumed to be at the end of year 0

Summary of Transformation Opportunities

The 'base' and 'stretch' scenarios below suggest further savings, and associated costs, which could be achieved through using the platform of unitarisation to carry out transformation activity across the resultant unitary authority or authorities. **These are the additional benefits, above and beyond those from transition to unitaries. A single unitary offers potential for greater transformation benefits, beyond benefits from aggregation.**

		Gross additional annual benefit ¹ (£M)	Total one-off transformation costs ² (£M)	Net benefit 5 years post-vesting (£M)	Net benefit 10 years post-vesting (£M)	Payback period for transformation (years from first costs incurred) ³
1UA	Base	20.3	27.7	43.3	144.9	3.1
	Stretch	29.4	44.3	38.1	185.3	4.1
2UA	Base	15.2	30.7	22.4	98.2	4.3
	Stretch	20.7	48.1	9.8	113.0	5.4

A single unitary authority provides a better springboard for additional benefits to be realised through Local Government Reorganisation. Through a single unitary, the County will be able to build on the platform of unitarisation to create greater economies of scale across staff, third party spend, and property, consistently automating and standardising processes and forms, managing workload volumes more efficiently, conducting supplier consolidation, and enhancing supplier relationship management.

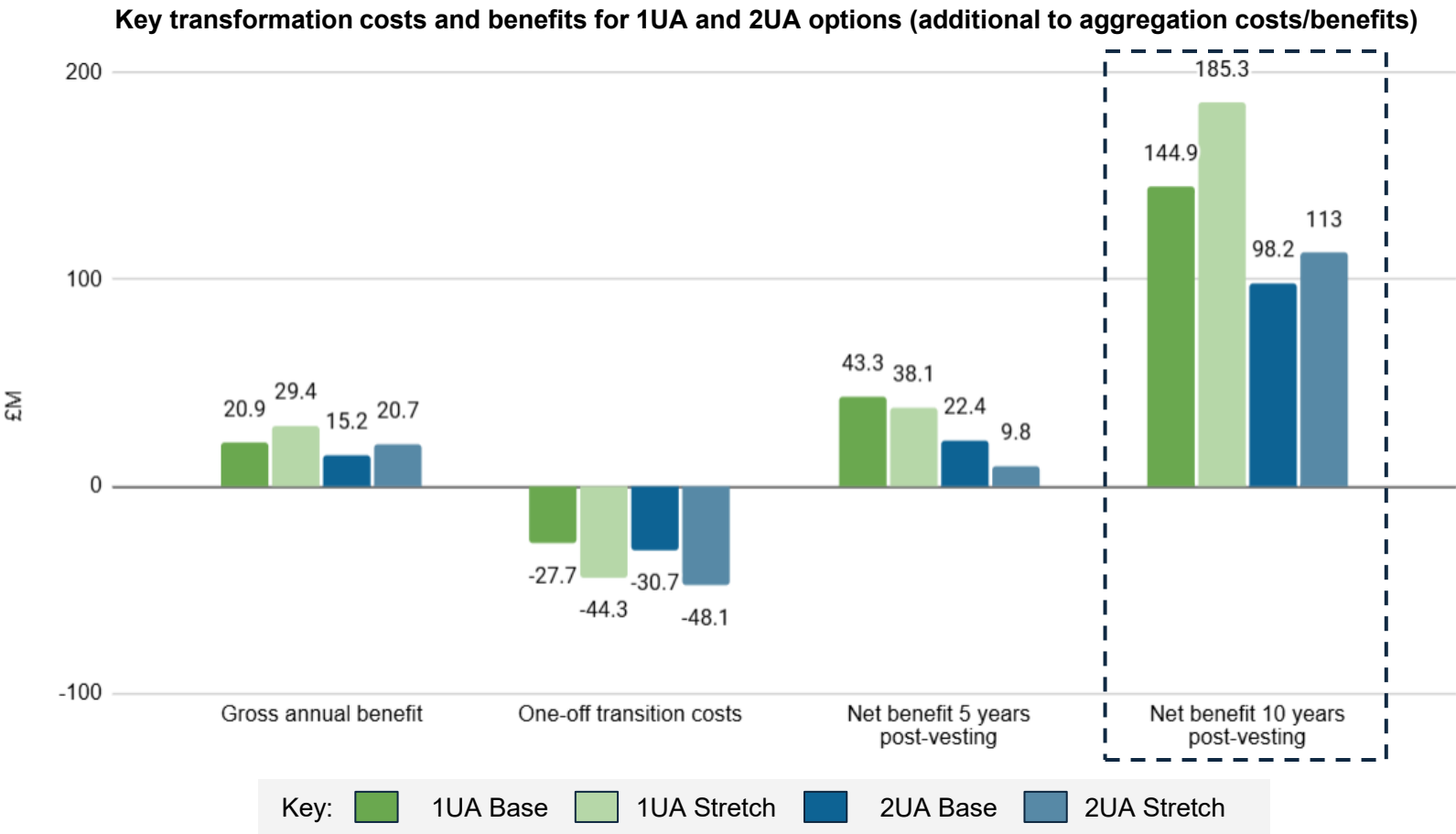
Ten years post-vesting, a single unitary authority could allow ~ **50% greater benefit by carrying out additional base transformation and over 60% greater benefit by carrying out additional stretch transformation**, compared with a two unitary scenario.

1. Gross annual benefit when at 100% phasing; 2. One-off transformation costs are phased over 5-6 years (see Appendix); 3. First costs incurred in pre-vesting year, year 0 (27/28)



Summary of Transformation Opportunities

The ‘base’ and ‘stretch’ scenarios below suggest further savings, and associated costs, which could be achieved through using the platform of unitarisation to carry out transformation activity across the resultant unitary authorities. These are additional benefits, above and beyond the core aggregation case.



Ten years post-vesting, a single unitary authority could realise **~50% greater benefit from carrying out additional base transformation (£46.7m more)** and **>60% greater benefit from carrying out additional stretch transformation (£72.3m more)**, compared with a two unitary scenario.

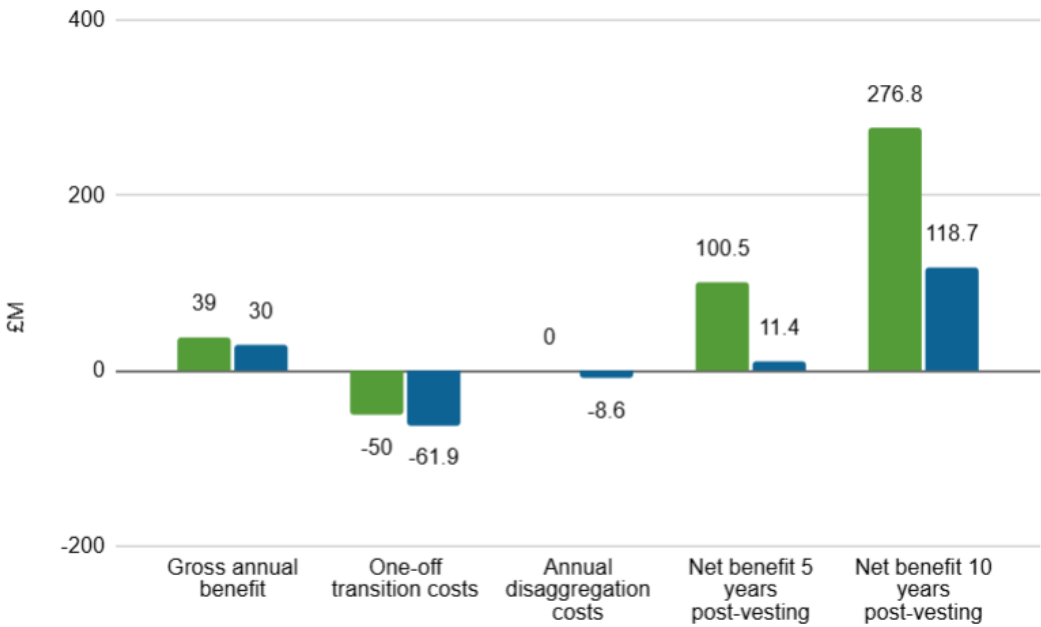


Reorganisation and Transformation

In both ‘base’ and ‘stretch’ scenarios, a single unitary provides a better springboard for additional benefit through transformation. When delivered **alongside** reorganisation, transformation benefits are significantly greater in a single unitary scenario compared to a two unitary scenario.

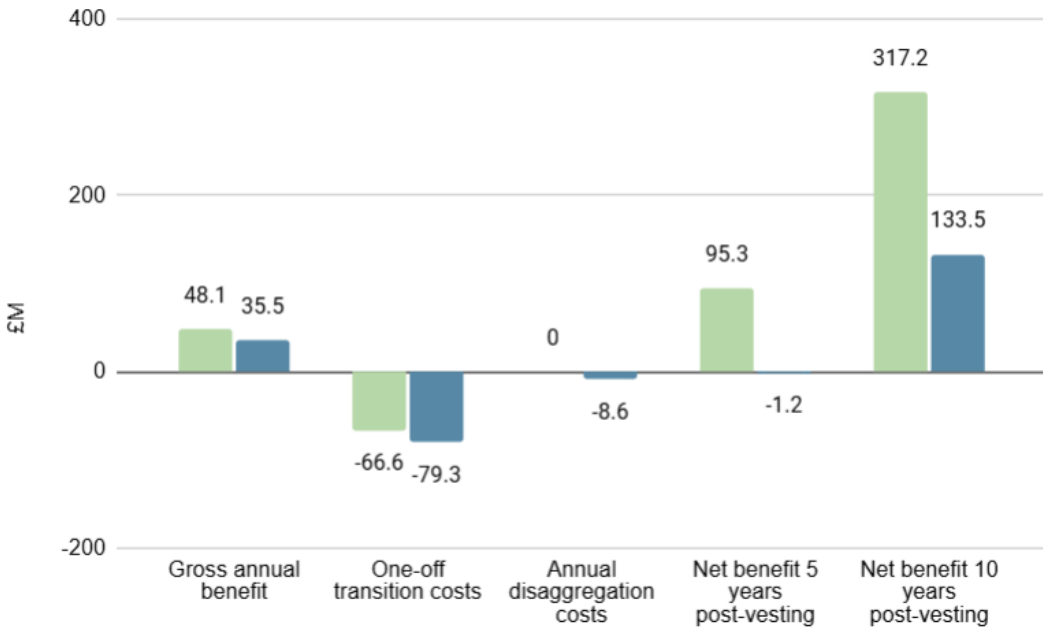
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Reorganisation and Base Transformation



When base transformation is delivered alongside reorganisation, a single unitary could allow **over two times the net benefit compared to a two unitary option within ten years post-vesting.**

Reorganisation and Stretch Transformation



When stretch transformation is delivered alongside reorganisation, a single unitary could allow **almost 2.5 times the net benefit compared to a two unitary option within ten years post-vesting.**

2 | Context to the work

The Devolution White Paper (2024) and drivers for change

The White Paper sets a clear expectation that significant reorganisation and devolution is necessary across England to improve service delivery and ensure long-term financial stability for Local Government. Government's ambitions for devolution and reorganisation are clear:

- Greater powers vested in local and regional government
- Larger, more sustainable unitary authorities that reflect local identity and avoid fragmented governance
- Rapid implementation, with a focus on delivering benefits at pace

Reorganisation and devolution are the routes for change

To achieve government ambitions, the White Paper **outlines two key routes for change**:

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1) **Reorganisation**: a shift away from the two-tier system towards:

- A **single county-wide unitary**
- A **multi-unitary model**: county, district, and borough councils are replaced with unitary councils with disaggregated county services.

2) **Devolution**: the formation of **Strategic Authorities**, with or without a mayor, to oversee regional economic development, transport, and infrastructure. These would involve collaboration between unitary authorities, similar to the **West Midlands Combined Authority** model.

Drivers for change:

1. **Financial pressure**: In October 2023, the LGA estimated a **£4 billion funding gap for local government** over the next two years.^[1] This financial strain impacts delivery of local services and the ability of councils to plan for the future.
2. **Demand for services**: Population growth, ageing demographics and increasingly complex community needs are driving **increased demand for higher-cost services**.
3. **Social care costs**: From 2010/11 to 2023/24, local authority net expenditure on adult social care increased by 19% in real terms.^[2] Per-person spend on children's services for county councils increased 93% from 2013/14 to 2023/24.^[3]

Benefits of LGR:

-  **Efficiency**: Reorganisation to increase scale can drive efficiencies by consolidating resources and eliminating duplication, to reduce costs and enhance service delivery.
-  **Transparency**: A simplified local government structure offers an opportunity to strengthen the connection between communities, councils, and elected officials.
-  **Growth and prosperity**: Unitaries may have improved capacity to maximise growth opportunities - both locally and via devolution - to foster a more sustainable future.

Sources:

[1] £4 billion funding gap

[2] Local authority expenditure: Adult social care

[3] County Council Spend: Children's Services



Overview of options being assessed

Based on the geography and Ministry of Housing, Communities and Local Government guidance, the following two options have been identified for the future of local government:

- A Warwickshire unitary authority
- Two unitary authorities split into North and South Warwickshire

Each option presents distinct advantages and challenges, with associated trade-offs depending on the option chosen.

The table below outlines the geographical makeup of each option, along with the estimated population for each component area.

Option	Description	Geography	Components (District / borough level)	Population*
1	One Unitary Authority		Warwickshire Unitary Authority: The Districts, Boroughs and County Council would consolidate into a new single unitary authority. • This option would lead to significant savings (see financial analysis for details) • It would lead to service aggregation and simplified experiences and services for residents and customers, facilitated by consolidated points of contact	Warwickshire UA: 632,207 • Current population of ~630,000 would be in line with the Government guidelines for viable population sizes.
2	North and South Unitary Authority split		Two unitary authorities would be created: - North: North Warwickshire, Nuneaton and Bedworth, and Rugby Boroughs - South: Stratford-on-Avon and Warwick Districts • This configuration would align with the economies and geography in the North and South • However, this would involve the disaggregation of key services, notably in Adult and Children’s Social Care, Public Health, and Education, as well as aggregation of dispersed district and borough services.	North Warwickshire UA: 331,060 (52%) South Warwickshire UA: 301,147 (48%) • A two unitary configuration would result in neither unitary exceeding 500,000.

**Please note: Population figures are sourced from the ONS estimates (2024)*

3 | Financial Analysis: Output Breakdowns

Benefits of Aggregation

A single unitary delivers greater annual savings via benefits of aggregation, with increased economies of scale delivered compared to a two unitary model. This enables greater percentage reductions in spend on staff, property, and third parties following unitarisation.

A single unitary offers higher benefits of aggregation - benefits include:

Benefits of aggregation (recurring)

Saving category	Approach	% Reduction		Gross Annual Saving (£) ¹	
		1UA	2UA	1UA	2UA
Front office	Percentage reduction applied to front office FTE effort	4%	3%	1,135,656	851,742
Service delivery	Percentage reduction applied to District/Borough service delivery FTE owing to savings focus on benefits from aggregation of legacy District/Borough services.	5%	3%	328,173	196,904
Support services	Percentage reduction applied to support services FTE effort	5%	3.5%	2,326,840	1,628,788
Senior management	Reduction applied to senior management, c.30 staff across County, District, and Borough	See right		3,417,159	3,417,159
Third party spend	Percentage reduction applied to addressable third-party spend	3.5%	2.5%	8,627,870	6,162,764
Property	Percentage reduction applied to property spend	14%	12%	1,398,182	1,198,442
Democracy	Combined savings from elections, average costs for District/Borough councillors, and changes in base and Special Responsibility Allowance costs	See right		1,460,024	1,378,341
Annual benefit				18,693,903	14,834,140

A single unitary model delivers **over 25% higher gross annual benefit of aggregation** when compared to a two unitary model. This is primarily driven by **greater economies of scale delivered in a single unitary option, delivering** higher percentage savings, across front office staff, support services staff, and third party spend.

In totality, it is estimated that transitioning to a single unitary would lead to a reduction of **105-125 staff** (including senior leadership) or **80-100 staff** would be reduced in a two unitary scenario (gross reduction – as described on slide 22, disaggregation will also require additional staff, meaning that net staffing savings will be lower). These benefits of aggregation are assumed to be realisable within four years from consolidation. Transformation benefits, covered in section 4, will take longer to realise and will be reliant on building on the benefits of new unitaries.

Aggregation | Saving Opportunities

Aggregation will deliver significant savings opportunities across all directorates, including reductions in spend on staff, third parties and assets.

Aggregation Saving	Justification
Adults' Social Care	• Staff: Rationalisation of commissioning teams and support staff across unitary authorities. • Third Party Spend: Strategic commissioning across housing, mental health, and care homes to reduce duplication and improve provider rates. • Assets: Potential reduction in administrative buildings and integration of co-located services (e.g. care with housing).
Children's Services	• Staff: Rationalisation of commissioning teams and support staff across unitary authorities. • Assets: Potential reduction in administrative buildings and integration of co-located services (e.g. care with housing).
Support Services	• Staff: Reduction in duplicative support teams (e.g. finance, HR, legal) through creation of single teams with optimised processes. • Third Party Spend: Reduced external training and recruitment costs via in-house pooling.
Public Health	• Staff: Shared data and surveillance teams reduce duplication across unitaries and foster greater collaboration in relation to leisure service provision and optimising public health outcomes from this. • Assets: Public health digital infrastructure (e.g. data tools, comms platforms) shared more efficiently across legacy District/Borough and County teams.
Place services	• Staff: Centralised management of services such as countryside, housing, and archives teams avoids fragmentation and duplicated costs. • Staff: Consolidation of service management roles and support functions (e.g. environmental health, licensing, planning enforcement) across legacy District/Borough footprints. • Third Party Spend: Consolidated maintenance and operations contracts for large estates (e.g. arboretum, canal, rights of way). • Assets: Rationalisation of local offices and depots; co-location with wider public services (e.g. libraries, police, or health hubs) to release underused space. • Assets: Rationalised office estate by reducing duplication in corporate headquarters. • Assets: Better use of land for dual purpose (e.g. biodiversity net gain, recreation, strategic pipeline for development); disposal of underused estate

Role examples within each domain

Below provides an overview of key definitions for the service delivery, front office and support service domains, and examples of the types of roles expected to sit within each. The below is an indicative and non-exhaustive list.

		Service Delivery	Front Office	Support Services
Page 105 Definition Example roles (non-exhaustive)		These are roles directly involved in delivering statutory and discretionary council services to residents. This involves addressing residents' needs.	Roles interacting directly with the public (often first point of contact). For example, managing appointments, handling customer enquiries, taking customer payments and performing eligibility checks.	Roles that support the council in operating effectively on a day-to-day basis. This includes enabling functions (HR, procurement, finance, etc.), general administration, and strategic planning.
		County - Occupational Therapists - Care Support Workers (e.g., reablement teams) - Public Health Practitioners - Highway Maintenance Teams (engineers, operatives) - Waste & country parks - Libraries, Heritage, and Registration District/Borough - Housing Officers (e.g. homelessness prevention) - Environmental Health Officers - Refuse Collection and Recycling Operatives - Leisure Centre Staff (e.g. fitness instructors) - Planning Case Officers (development management) - Parks and Grounds Maintenance Staff	- Customer Service Advisors (call centre, reception desks) - Contact Centre Operatives (phone/email/chat) - One Stop Shop Officers (face-to-face service desks for housing, benefits, council tax, etc. eg Homelessness Prevention Officer) - Visitor/Community Centre Staff - Education: admissions, attendance service	- HR Officers and Advisors - Finance Officers (accounts payable/receivable, payroll) - Procurement and Contract Management Officers - ICT/Systems Support Analysts - Legal Services (solicitors, legal assistants) - Communications and PR Officers - Democratic Services Officers (supporting council meetings, committees) - Business Support/Administration Officers - Estates and Property Services Officers - Health & Safety Officers - Internal Audit Teams - Stores & distribution - Strategic planning & policies



Disaggregation costs

In a two unitary model, there are additional recurring costs owing to the need to duplicate significant County Council structures after disaggregating major services such as Adult Social Care, Children’s Services, Public Health, Education, Economic Development and Highways, as well as support services and Warwickshire Pension Fund. This means that there would be additional costs incurred only when transitioning to a two unitary model.

A two unitary model creates a recurring additional cost, compared with a single unitary authority - shown below:

Cost category	Approach	Annual Cost (£)
		2UA
Duplicated senior leadership	Combined costs to cover management salaries across four directorates and the county-level Chief Executive salary for an additional unitary authority, all adjusted by the estimated on-cost multiplier.	2,995,301
Duplicated county service delivery teams	Total disaggregation costs for front-line staff are calculated by identifying a percentage of staff effort focussed on management and supervision. An uplift can then be made to these costs, to reflect the additional leadership required to successfully manage disaggregated county services eg social care in second unitary authority. Costs would apply to all County teams.	5,155,476
Duplicated democratic structure	Duplicated Special Responsibility Allowance costs for additional unitary.	405,000
Annual disaggregation costs		8,555,778

Disaggregating County services would create **£8.6m** of additional recurrent annual costs in a two unitary model. This significant restructuring of countywide services creates diseconomies of scale and less efficient use of resources compared to the current single upper tier authority and the proposed single unitary model. This disaggregation also creates potential risks regarding delivery of these services. Disaggregation costs will be incurred from year 1, once Vesting Day has occurred (April 2028)

Disaggregation risks and challenges

On top of the additional costs, there are significant risks and challenges related to the disaggregation of major services in a two unitary model

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Loss of economies of scale	Service fragmentation	Service offering	Service consistency
• Increased financial pressure: disaggregation leads to duplicated roles and costs, straining council budgets. • Diminished bargaining power: fragmented governance will affect the ability to negotiate contracts and procure resources efficiently. • Balance sheet: impacts and risks have been modelled separately.	• Organisational inefficiencies: splitting county services can result in gaps in service provision, particularly in areas like social care and education that require coordinated efforts. • Fragmented management and governance: multiple administrative entities can lead to disjointed approaches in service delivery, affecting efficiency and cohesion.	• Inconsistency in quality and accessibility: division of services may lead to varying standards, compromising user experience. • Impacted access: fragmentation potentially impedes easy access to critical services across different units.	• Disrupted continuity: change in administrative boundaries can affect ongoing service relationship in sectors like social care. • Negative user experience: interruptions necessitate new service arrangements, thus increasing operational costs and complexity.
Data sharing	Workforce	Contract disaggregation	Service support
• Coordination complexity: disaggregation complicates data sharing across administrative boundaries. • This increases risks of protection gaps and degradation in service quality.	• Resource competition: All six Councils face significant workforce challenges which disaggregation could compound.	• Transitional challenges: reallocating county-wide contracts across two unitaries might result in transitional issues and thus increased contract and management costs.	• Loss of workforce expertise: splitting centralised support services like HR, Finance and IT risks losing specialised expertise, leading to skill gaps and higher transition costs. • Splitting existing frontline teams poses a risk to service continuity and loss of skills in one or both of the unitaries.



Transition costs

One-off transition costs would be considerably higher for a two unitary model compared to a single unitary model. This is driven by the proportionally higher costs of external support and PMO, for example, in creating two new organisations.

A two unitary model would create higher one-off costs

Cost category	Approach	Cost (£)	
		1UA	2UA
Programme transition costs	See Appendix 1 for breakdown of costs	16,172,674	26,050,634
Redundancy cost (incl. pension strain)	Redundancy cost as a proportion of salary (current assumption) multiplied by total FTE saving (detailed in Benefits of Aggregation section)	6,126,654	5,180,404
Total one-off costs		22,299,328	31,231,038

Total one-off costs for a two unitary model would be **~40% higher** than those for a single unitary model. This is primarily driven by proportionally higher costs for external support, PMO, creating the new council and others (detailed in Appendix 1) that are incurred when creating two authorities compared to one. Redundancy costs are lower for a two unitary model compared to a single unitary model. However, this is a result of a reduction in staff savings achieved through aggregation.

Owing to the age of profile of council staff, additional costs from pension strain drive high redundancy costs. Transition costs are assumed to be phased across Years 0-2.



Net benefits and payback period

Total Net Benefit After One Year

Both options show a negative net benefit in the first year post-vesting, reflecting the significant upfront restructuring costs. These include transition and redundancy costs, expenditures on new systems, processes, and communications/publicity, and costs for reorganisation, staff training and integration of new technologies or processes typical of large-scale transformations.

The negative net benefit is much larger for the 2UA option, primarily driven by **higher transition costs** (for the 2UA option, disbenefits from disaggregation are assumed to create costs from Y1 when the new model is fully implemented and operational).

Note: Vesting Day is at the end of year 0 in this analysis.

Payback Period

Both scenarios' payback periods indicate how long it takes to recoup the initial investment (from Year 0). **The single unitary scenario has a shorter payback period** because the initial investment is recouped relatively quickly as cost reductions and efficiencies from the restructuring take effect, delivering full benefits sooner. By contrast, **the two unitary scenario has a longer payback period**, driven by lower overall benefits and significantly higher ongoing costs, so it takes longer to achieve net financial benefits.

Unitary Authority Option	Total net benefit one year post-vesting (£M)	Total net benefit five years post-vesting (£M)	Payback period (years from first costs incurred) ¹
Single Unitary Authority	(7.4)	57.1	2.9
Two Unitary Authorities	(24.6)	(11.0)	7.7

Total Net Benefit after Five Years

Five years post-vesting, the net benefit is the highest in the 1UA option, reflecting the successful realisation of the anticipated savings and efficiencies. The substantial net benefit suggests that the restructuring leads to significant cost reductions and improved service delivery.

The savings from front office, support services, and property optimisations, along with improved management of third-party contracts and consolidation of service provision, contribute to the positive financial outcome. These efficiencies are compounded over time, providing greater value to residents and the organisation.

Five years post-vesting, in the 2UA Option the net benefit is still negative and hence considerably lower than the 1UA option.

1. First costs occurred in pre-vesting year, year 0 (27/28)



Conclusions from aggregation analysis

A single unitary offers the more compelling financial argument than a two unitary model, with increased net benefits over time and a shorter payback period. A single unitary model will support with easing of financial pressure across Warwickshire’s councils.

A single unitary offers the most compelling financial argument

Benefits of aggregation

Option	Gross annual benefit (£M) ¹	Additional Annual Costs (£M) (Disaggregation Costs)	Recurring net annual benefit (£M)	Recurring net annual savings per resident (£)	One off transition costs (£M)	Net benefit 1 year post-vesting (£M)	Net benefit 5 years post-vesting (£M)	Payback Period (years from first costs incurred) ²
UA	18.7	0	18.7	29.60	22.3	(7.4)	57.1	2.9
2UA	14.8	8.6	6.2	9.80	31.2	(24.6)	(11.0)	7.7

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A single unitary offers **significantly greater net benefit** when compared to a two unitary model owing to **over 3 times higher recurring net annual benefit** and **~30% lower transition costs**. This difference is predominantly driven by the additional annual costs of disaggregating services in a two unitary model. Five years post-vesting, this results in a single unitary model easing financial pressures across Warwickshire’s councils by **£57.1m**, whilst a two unitary model worsens the financial position by **£11.0m in cost**. This means that more funding will be required for significantly less financial gain.

Total impact of disaggregating to two unitaries compared to a single unitary model

Impact of disaggregation

Category	Reduction in benefits from aggregation (£M)	Additional disaggregation costs (£M)	Increase in transition costs (£M)	One-year post-vesting impact	Five-year post-vesting impact
Impact (£m)	3.9	8.6	8.9	£17.2m of lost financial opportunity	£68.1m of lost financial opportunity.
Impact timeline	Ongoing	Ongoing	One-off		

1. Gross annual benefit when at 100% phasing from Y4; 2. First costs occurred in pre-vesting year, year 0 (27/28)

4 | Transformation opportunities



Transformation | Approach & Conclusion

The ‘base’ and ‘stretch’ scenarios below suggest further savings, and associated costs, which could be achieved through using the platform of unitarisation to carry out transformation activity across the resultant unitary authorities. **These are additional benefits, above and beyond the core aggregation case.**

Transformation benefits (% reductions, exclusive of aggregation benefits)

Option	1UA		2UA	
	Base	Stretch	Base	Stretch
Reduction in front office FTE spend	10%	17%	8%	12%
Reduction in service delivery FTE spend	5%	9%	4%	6%
Reduction in enabling FTE spend	14%	20%	8%	9%
Reduction in Third Party spend	3%	4%	2.5%	3.5%
Increase in Income	2%	3%	1.7%	2.5%

Higher percentage reductions in expenditure and a greater increase income have been assumed for the single unitary option owing to greater economies of scale and more efficient use of resources in aggregated countywide services.

Detailed breakdown of associated transformation costs and phasing of transformation benefits and costs found in Appendix 2.

A single unitary offers potential for greater additional transformation benefits

Option		Gross additional annual benefit ¹ (£M)	Total one-off transformation costs ² (£M)	Net benefit 5 years post-vesting (£M)	Net benefit 10 years post-vesting (£M)	Payback period (years from first costs incurred) ³
1UA	Base	20.3	27.7	43.3	144.9	3.1
	Stretch	29.4	44.3	38.1	185.3	4.1
2UA	Base	15.2	30.7	22.4	98.2	4.3
	Stretch	20.7	48.1	9.8	113.0	5.4

A single unitary authority provides a **better springboard for additional benefits to be realised from LGR**. Through a single unitary, the county will be able to build on the platform of unitarisation to create greater economies of scale across staffing, third party spend, and property, consistently automating and standardising processes and forms, managing workload volumes more efficiently, applying consistent mechanisms for managing local markets to promote more consistent provider unit costs, conducting supplier consolidation and supplier relationship management. Ten years post-vesting, a single unitary authority could realise **~50% greater benefit from additional base transformation**, compared with a two unitary scenario.

6 | Appendix 1: Financial analysis assumptions

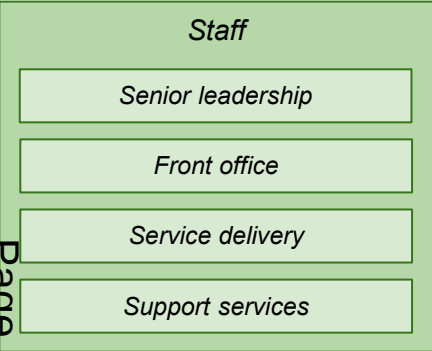
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Aggregation benefits assumptions: Staff 1 of 2

Methodology for calculations and assumptions applied for staff benefit calculations

Element of the model



Methodology & drivers of benefit

- 1. The combined County, District, and Borough Councils spend on staff will be estimated and grouped into front office, duplicated service delivery, and service support spend.
- 2. Percentage reductions will be applied to front office, duplicated service delivery and support services as a result of efficiencies from removing duplicated activity when moving to new unitary authorities.
- 3. These percentage reductions are higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.
- 4. An additional benefit will be calculated from removed District/Borough senior leadership posts, including on-costs.

Assumptions applied

Area	Assumptions		Rationale
	1 UA	2UA	
Net revenue expenditure	£446.9m		RS Line 805 within 24/25 Revenue Outturn data minus fire services expenditure (£30.3m).
Proportion of net revenue spend on staff	28.1%		Calculated as total FTE spend / total baseline spend.
Front office FTE (CC)	17.5%		Reflects latest activity analysis within Warwickshire.
Service delivery FTE (CC)	49.3%		
Service support FTE (CC)	33.2%		
Front office FTE (DCBC)	36.0%		Assumption based upon work in other local authorities.
Service delivery FTE (DCBC)	37.0%		
Service support FTE (DCBC)	27.0%		



Aggregation benefits assumptions: Staff 2 of 2

Methodology for calculations and assumptions applied for staff benefit calculations

Assumptions applied

Area	Assumptions		Rationale
	1 UA	2 UA	
Reduction in front office FTE	4%	3%	Percentage reductions in line with previous local government reorganisation work.
Reduction in service delivery FTE	5%	3%	Percentage reductions in line with previous local government reorganisation work. Informed by slight amendments made to standard methodologies since the interim plan.
Reduction in support services FTE	5%	3.5%	Percentage reductions in line with previous local government reorganisation work.
Senior leadership costs	£3.4m	£3.4m	Senior leadership savings are likely to impact on both legacy County and District/Borough senior leaders (officers). Calculation has been developed in relation to expected leadership savings. Expected reduction is equivalent to a c.25% saving across the top three tiers of management at District / Borough level and top four levels at County level.

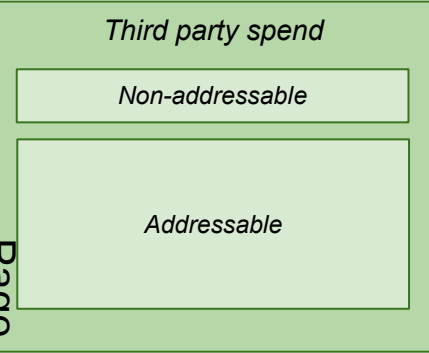
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Aggregation benefits assumptions: Third party spend

Methodology for calculations and assumptions applied for third party spend benefit calculations

Element of the model



Methodology & drivers of benefit

- 1. The addressable third party spend combined between County and District Councils will be calculated using proportioned net expenditure to provide a baseline. Third party spend relating to property will be excluded.
- 2. A percentage reduction in third party spend will be applied as a result of the greater purchasing economies of scale that will be gained through consolidation.
- 3. These percentage reductions are higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.

Assumptions applied

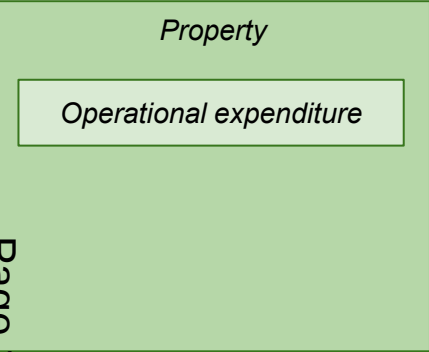
Area	Assumptions		Rationale
	1 UA	2 UA	
Proportion of net expenditure spent on third parties	63%		Calculated as total third party spend / total baseline spend.
Proportion of third party spend which is addressable	75%		75% of the total third party spend is treated as addressable, in line with work in other local authorities, due to elements of third party spend not being influenceable, e.g. pass through costs.
Reduction in third party spend	3.5%	2.5%	This has been estimated in line with reductions found in other local authorities. A lower reduction in third party spend has been applied to the addressable spend in a two unitary authority model to reflect the lower purchasing economies of scale that can be achieved, and increased competition for services.



Aggregation benefits assumptions: Property

Methodology for calculations and assumptions applied for property benefit calculations

Element of the model



Methodology & drivers of benefit

- 1. The combined net expenditure on property will be calculated using net expenditure figures for the County, District, and Borough Councils.
- 2. This is spend relating to the ongoing running costs of office spaces such as energy, cleaning and repairs rather than from the one-off sale of capital assets, or rental income from available office space. Any council-owned housing stock will also be excluded from this calculation.
- 3. A percentage reduction will be applied to the property baseline to provide the estimate property benefit.

Assumptions applied

Area	Assumptions		Rationale
	1 UA	2 UA	
Proportion of net expenditure spent on property	1.91%		Calculated as total property spend / total baseline spend. We assume that districts and boroughs allocate a similar proportion of their budgets to property.
Reduction in property spend	14%	12%	This reduction has been estimated in line with reductions delivered by other local authorities*. A lower level of savings is forecast if the two unitary authority option is chosen, as there would be reduced opportunities to achieve efficiencies through consolidation of estates.

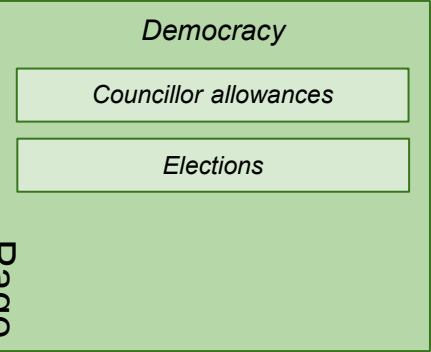
* Recent LAs to have undergone LGR



Aggregation benefits assumptions: Democracy

Methodology for calculations and assumptions applied for democracy benefit calculations

Element of the model



Methodology & drivers of benefit

- 1. A one or two unitary authority model will require fewer Councillors, therefore a saving can be made in terms of the base and special responsibility allowances paid to elected Members. The average cost of a District/Borough council democratic structure will be estimated and multiplied by the number of District/Borough councils present within the boundary.
- 2. Consolidating local authorities will also reduce the number of elections required and the cost of administering these. The average cost per vote of District/Borough elections over a four-year cycle will be calculated and multiplied by the total number of valid votes per year (i.e. four-year cycle divided by four).
- 3. While the composition of two unitary authority councils may differ, it is estimated that the cost of reorganising and allowances would be broadly similar for each.

Assumptions applied

Area	Assumptions		Rationale
	1 UA	2 UA	
District/borough special responsibility allowance (SRA) and base allowances incurred as part of the democratic structure	£0.3m		Average District/Borough SRA and base allowance cost across 5 district/borough councils. Inflation adjusted to 24/25 values where necessary. The model assumes these costs are fully removed. Expenses for additional councillors in 1UA and 2UA options have also been calculated.
County Council base allowance costs per Member	£11,669		Elected Member Data (WCC).
County Council SRA costs	£0.3m		23/24 data with inflation applied (CPI 2.6%, Sept 2024).
Annual cost incurred for district/borough elections in one year	£0.4m		Total number of District/Borough votes in the last four years divided by four and then multiplied by the cost per vote below.
Cost per vote during an election	£3.00		Average cost calculated using the County, District and Borough Council election costs over the last four years. This created a range of costs per vote. The HM Government assumption of £3 per vote based on previous general elections fell in middle of this range.



One-off costs assumptions: Redundancy and transition 1 of 2

Methodology for calculations and assumptions applied for redundancy and transition cost calculations

Element of the model

Transition costs

Methodology & drivers of benefit

- 1. One-off redundancy costs will be incurred when re-organising local authorities. These will be calculated as a proportion of the benefit resulting from staff reductions and therefore are higher in a single unitary model than a two unitary model. These are based on the gross staff reductions, and do not take into account any potential reductions due to increased duplicated effort in the event of disaggregation.
- 2. A number of transition costs will be incurred when closing down existing local authorities and creating new authorities. Given that the same number of District/Borough Councils are closed down to create the one and two unitary scenarios, the organisation's closedown costs are the same.
- 3. In order to undertake successful transformation at pace while realising the benefits, one-off costs will be incurred for external support and internal programme management to provide the capacity and capability required to transform services.

Assumptions applied

Area	Assumptions		Rationale
	1 UA	2 UA	
Redundancy cost	£6.1m	£5.2m	85% redundancy cost (including pension strain) applied to staff savings (compared to 118% in interim report).
External communications, rebranding and implementation	£0.4m	£0.5m	Promoting changes to the public, developing a new local authority brand and implementing new signage and logos.
External transition, design and implementation support costs	£4.3m	£6.8m	Costs for external support to ensure effective transformation: change management, benefits realisation, business and technology design authority, process redesign and consolidation, and a review of shared services for each authority.
Internal programme management	£2.4m	£3.8m	Costs incurred for internal programme management and support and enabling services input.
Creating the new council	£0.6m	£1.2m	Includes legal costs, developing the constitution, contract novation, setting budgets, and carrying out 'business as usual' in existing councils. This is largely associated with the administrative costs of making sure the new councils are set up legally and financially e.g. drafting documentation which has to go to parliament, setting up new accounts etc. Two unitary scenario is double the cost owing to two new entities being created.

One-off costs assumptions: Redundancy and transition 2 of 2

Methodology for calculations and assumptions applied for redundancy and transition cost calculations

Assumptions applied

Area	Assumptions		Rationale
	1 UA	2 UA	
Contingency	£4.6m	£7.3m	Provision for extra expenses incurred through reorganisation e.g. relating to property disposals or where estimated costs are found to be underestimated. There is, for example, known risk in relation to transitioning IT and data to new unitary arrangements, and the precise cost of this will only be confirmed once more detailed systems analysis is completed, during the transition to the new unitary arrangements.
Organisation closedown	£0.3m	£0.3m	Costs involved with financially closing down councils and creating sound budgetary control systems, estimated through averages of similar costs for other councils. e.g. making sure liabilities are transferred correctly, creating sound budgetary control systems, transfer of functions, tax assessments etc. The same number of councils are closed down in both scenarios (all Districts and Boroughs, and County Council) - therefore costs are estimated to be the same in both scenarios.
Public consultation	£0.3m	£0.4m	Assuming costs for adverts in local media and surveys to consult public on proposed changes. Whilst funding sources for public consultation are being confirmed, an amount has been conservatively set aside to cover the costs of this consultation.
ICT costs	£3.0m	£4.7m	Assuming costs for changed reporting requirements, system licenses, storage capacity, and data cleansing / migration. Costs largely associated with migration and infrastructure set up in the new structure e.g. for changed reporting requirements, security, storage capacity, and data cleansing/migration. These do <u>NOT</u> account for any run costs of the future council e.g. additional licensing or systems costs. This would require further detailed work as part of detailed implementation planning. Additional costs are incurred within the two unitary option, to allow for disaggregation of IT systems.
Shadow Chief Exec/member costs	£0.4m	£0.9m	Costs for a year of interim advisory board roles from Chief Executives per authority (assumed £195k salary with on-costs) and six members per unitary with additional responsibilities, each receiving £20k in Special Responsibility Allowance.
Total one-off transition costs	£22.3m	£31.2m	

One-off costs assumptions: Pay Harmonisation

Pay Harmonisation Considerations

An additional consideration as each new authority is established will be to consider how the alignment of staff pay from multiple authorities will come together into a single pay scale.

- At this stage, **this cost has not been included** as there are multiple factors that need to be considered, including the time to harmonise and to which level of the pay band (top, middle, bottom). Additionally, agreement of an approach and consideration of the scale of any redundancies along with the potential for any voluntary severance schemes or vacancy management in advance of vesting day need to be considered to derive an accurate costing.

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- Typically, organisations are looking to harmonise as quickly as possible and normally within two years of being established to balance legal compliance, staff morale, cost, and operational effectiveness, and to avoid any risk of future equal pay claims stemming from a longer harmonisation period.

The one/two new authorities will have slightly different harmonisation costs which will be linked to the pay scales of those authorities within that configuration. There will be some netting off for this additional staffing cost as the authorities are formed through reorganisation and potential subsequent transformation as efficiency savings are made.

There is not generally a linear relationship between the number of new unitary authorities created and the outcome of pay harmonisation. The cost implications of the process more specifically depend on:

- The relative difference in pay scales between the authorities to be harmonised and the 'new' authority - particularly in cases where different Job Evaluation schemes are in use.
- The profile of the workforce across grades - which often differs significantly between district and upper-tier councils, and also depends on the extent to which services are shared between councils, or contracted from external organisations.



Recurring cost assumptions: Disaggregation

Methodology for calculations and assumptions applied for disaggregation into two unitary authorities

Element of the model

Duplication
Duplicated senior leadership
Duplicating county service delivery
Duplicated democratic structures

Methodology & drivers of benefit

1.

Disaggregation costs apply only where more than one unitary authority is being created, and arise from the need to deliver County level services such as Adults’ and Children’s Social Care, Education, Highways and Public Health in two distinct areas.
2.

An additional senior leadership team will be required to lead a second unitary authority. This cost will be calculated using the costs of senior leadership across the top tiers of existing District/Borough Councils to provide an average.
3.

Disaggregating services currently provided at county level will require additional staff to effectively lead and support high quality outcomes. The amount of effort used in service delivery management & supervision will be used as a proxy to estimate the size of the increase required in a two unitary model.
4.

The cost of a representative democratic structure will be estimated as an additional requirement in the second unitary authority.

Assumptions applied

Area	Assumptions	Rationale
	2 UA	
Duplicated senior leadership	£3.0m	Management cost per directorate (executive director + three directors) multiplied by four directorates and an additional executive director and chief executive at county salary (multiplied by oncosts).
Duplicated county service delivery teams	£5.2m	County staff expenditure less duplicated senior leadership multiplied by the proportion of staff in front line management (see below)
Proportion of additional staff undertaking service delivery management & supervision	4.2%	Additional staff will be required when disaggregating services currently delivered by the County Council, to provide appropriate leadership. Proportion of effort spent on management and supervision has been used as a proxy to estimate the leadership which would need to be duplicated. This percentage has been taken as the average effort recorded against front line management and supervision across unitary authority activity analyses conducted in other local authorities.
Dupilcated democratic structure - SRA costs per unitary authority	£0.4m	The Special Responsibility Allowance cost per new unitary authority is estimated at £40k for a Leader, £30k for a Deputy Leader, £20k each for eight Cabinet Members, £15k each for five Upper Committee chairs, and £10k each for 10 Lower Committee Chairs.
Total annual disaggregation costs	£8.6m	

7 | Appendix 2: Transformation Assumptions



Financial Analysis | Transformation scenarios

Three scenarios have been developed to reflect the level of ambition that can be applied to Local Government Reorganisation in Warwickshire. These three scenarios have been applied to the two options being considered as part of LGR. Each scenario has different assumptions for costs and benefits to allow an overall picture for transition and transformation. The phasing of these benefits and costs are explained in the subsequent slides. The three different scenarios are set out below:



Aggregation

This approach represents the savings delivered by bringing together teams from different councils and the immediate efficiencies of economies of scale across staffing, property and third party spend. This approach would involve the change required to ensure legal compliance and maintenance of essential services. This approach does not fundamentally alter service delivery mechanisms and benefits are primarily derived from amalgamation of existing councils.



Low Level of Transformation (Base)

This involves targeted enhancements within a council or multiple councils' service areas. It focuses on system changes and technological upgrades to improve efficiency and effectiveness within services, without necessarily affecting other council functions.



High Level of Transformation (Stretch)

This is an ambitious approach that leverages technology to transform multiple council functions across resultant councils. It aims for comprehensive improvements that enhance capabilities across services, leading to better overall performance and integration.



Financial Analysis | Transformation Benefits Assumptions

Assumptions applied in ‘base’ and ‘stretch’ scenarios

Transformation benefits (% reductions):

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Benefit category		Reduction in front office spend	Reduction in service delivery spend	Reduction in support services spend	Reduction in Third Party Spend	Increase in Income
1UA	Base	10%	5%	14%	3%	2%
	Stretch	17%	9%	20%	4%	3%
2UA	Base	8%	4%	8%	2.5%	1.7%
	Stretch	12%	6%	9%	3.5%	2.5%

Front office and support services could see the greatest benefits from transformation owing to the opportunities for leveraging AI and robotic process automation to reduce the need for manual intervention in high-volume, low-complexity tasks and routine customer requests. See following slide for further detail regarding opportunities.

Transformation benefits profiling:

Year	0	1	2	3	4	5	6	7	8	9	10
Base	0.00%	20.00%	50.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Stretch	0.00%	10.00%	30.00%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Financial Analysis | Indicative Transformation Opportunities

The resultant unitary council or councils post-LGR can use the platform of unitarisation to deliver further transformation. An indicative view of potential transformation opportunities could include:

Benefit category	Base Transformation	Stretch Transformation
Reduction in Front Office Spend	• Centralised customer service platforms to reduce duplicative efforts across front office roles. • Process standardisation and workflow automation tools for routine tasks to reduce the need for manual intervention.	• AI-powered self-service channels to handle a portion of routine customer requests (e.g. chatbots) • Implement an omni-channel communication system to save staff time moving between platforms.
Reduction in Service Delivery Spend	• Utilising scheduling tools to optimise working patterns. • Standardised and simplified service offerings. • Optimising performance management and lean process optimisation across teams.	• Use data analysis to predict service need and leverage resources across the new authority/authorities more effectively. This will enable an overall reduction in FTE numbers.
Reduction in Support Services Spend	• Deploy consistent self-service platforms for HR etc across the new authority/authorities. • Consolidate support services in resultant council/councils.	• Utilise AI and Robotic Process Automation (RPA) to reduce the need for manual intervention and save FTE time eg automating internal meeting minute taking.
Reduction in Third Party Spend	• Contract optimisation and renegotiation. Following consolidation of duplicative contracts, renegotiate contracts using improved economies of scale and bargaining power. Additional power in single unitary scenario owing to greater economies of scale.	• Developing consistent procured service offerings, promoting consistent contract management and supplier incentives, enhancing approaches to proactive commissioned/procured market management. • Applying consistent spend governance, promoting use of best-value frameworks.
Income	• Increase in sales, fees, and charges through promoting consistent approach to fee setting. Developing and sharing a commercial approach across new council/s - building commercial staffing and offer.	• Using consistent digital channels to promote traded services and leveraging the full asset base of council/s to develop additional or expanded traded services.

Financial Analysis | Transformation Cost Assumptions

Assumptions applied in 'base' and 'stretch' scenarios

Transformation costs (one-off):

Cost category		IT Investment Costs	Operating Model Construct & Change Management	Programme Support Costs	Contingency	Redundancy costs	Total one-off cost
1UA	Base	7,000,000	7,000,000	2,000,000	3,500,000	8,230,095	27,730,095
	Stretch	14,000,000	9,000,000	3,000,000	5,750,000	12,515,918	44,265,918
2UA	Base	9,100,000	9,100,000	2,600,000	4,550,000	5,318,275	30,668,275
	Stretch	18,200,000	11,700,000	3,900,000	7,475,000	6,790,724	48,065,724

Transformation costs profiling:

Year	0	1	2	3	4	5	6	7	8	9	10
Base	10.00%	15.00%	30.00%	30.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stretch	10.00%	20.00%	20.00%	20.00%	20.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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Warwickshire County Council (WCC) Equality Impact Assessment (EIA) Form

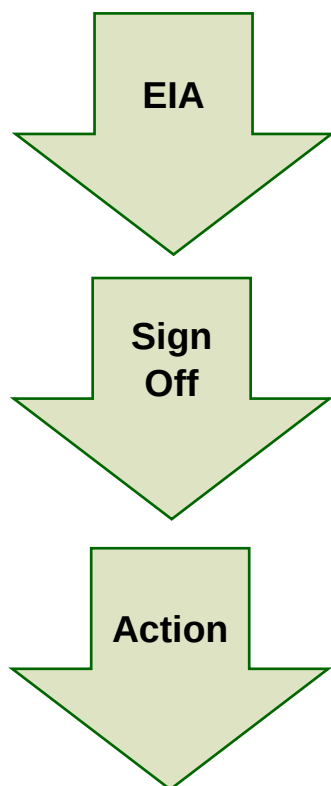
APPENDIX 4

The purpose of an EIA is to ensure WCC is as inclusive as possible, both as a service deliverer and as an employer. It also demonstrates our compliance with Public Sector Equality Duty (PSED).

This document is a planning tool, designed to help you improve programmes of work by considering the implications for different groups of people. A guidance document is available [here](#).

Please note that, once approved, this document will be made public, unless you have indicated that it contains sensitive information. Please ensure that the form is clear and easy to understand. If you would like any support or advice on completing this document, please contact the Equality, Diversity and Inclusion (EDI) team via equalities@warwickshire.gov.uk, or if it's relating to health inequalities, please contact Public Health via phadmin@warwickshire.gov.uk.

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- Having identified an EIA is required, ensure that the EIA form is completed before any work is started. This includes gathering evidence and / or engaging the relevant stakeholders to inform your assessment.
- Brief the relevant Director for sign off and upload the completed form here: [Upload Completed Equality Impact Assessments](#). Please name it "EIA [project] [service area] [year]"
- Undertake further research / engagement to further understand impacts (if identified).
- Undertake engagement and / or consultation to understand if EIA has identified and considered impacts.
- Amend accordingly to engagement / consultation feedback and brief decision makers of any changes.
- Implement proposed activity.
- Monitor impacts and mitigations as evidence of duty of care.

*Working for
Warwickshire*

Section One: Essential Information

Service / policy / strategy / practice / plan being assessed	Local Government Reorganisation Proposal – Full Council Report This EIA follows on from the EIA prepared for the Warwickshire Interim Plan Submission taken to Cabinet on 6 March 2025.
Business Unit / Service Area	Warwickshire County Council
Is this a new or existing service / policy / strategy / practice / plan? If existing, please state date of last assessment.	New - enacted by central government. This EIA builds on the previous EIA that was produced in respect of the Interim Plan submission to Government
EIA Authors N.B. It is best practice to have more than one person complete the EIA to bring different perspectives to the table.	Dylan Gadd – Graduate Management Trainee, Resources Directorate Nic Vine, Head of Legal and Governance, Resources Directorate Delroy Madden, Technical Specialist, HROD, Resources Directorate Sarah Duxbury, Director of Strategy, Planning and Governance, Resources Directorate (for review and sign off)

Do any other Business Units / Service Areas need to be included?	Other service areas have been engaged via leadership team, senior leadership forums and departmental leadership team meetings.
Does this EIA contain personal and / or sensitive information?	No
Are any of the outcomes from this assessment likely to result in complaints from existing services users, members of the public and / or employees?	There may be concern among staff and members of the public regarding the future organisation to a single tier of local government and how this will impact them. As stated in the previous EIA (developed at the Interim Plan stage) this is a Government policy and the Council is required to submit final proposals by 28 November 2025 following an invitation letter received from the then Minister for Housing Communities and Local Government pursuant to powers of the Secretary of State under Part 1 of the Local Government and Public Involvement in Health Act 2007.

1. Please explain the background to your proposed activity and the reasons for it.

Announced in the English Devolution White Paper (16 December 2024), the former Minister of State for Local Government and English Devolution Minister in the Department for Housing, Communities and Local Government subsequently invited 21 areas (of which Warwickshire was one) to submit a proposal for a transition from the current two-tier structure to that of a unitary single tier local government structure, Local Government Reorganisation (LGR).

The White Paper focuses on two areas of reform (i) widening devolution across England through the creation of Strategic Authorities to which centrally held Government powers would be devolved and (ii) a programme of LGR to create new unitary Councils, simplifying the current “multi-level” structure of local government in two-tier areas.

Detailed in the submission of the Interim Plan (March 2025) Warwickshire County Council laid out a detailed strategy for reorganisation, proposing a single unitary authority to replace the existing councils and cover the current county footprint.

Below is an abridged summary of the criteria shared by Government to shape proposals, the full letter of invitation can be found [here](#).

Criteria 1) A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government. Proposals must aim to create a single tier of local government across the area, based on sensible geography, economy, and robust evidence.

Criteria 2) Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. Councils should ideally serve populations of 500,000+ to ensure efficiency, resilience, and financial sustainability, with clear plans for managing costs and addressing financial challenges.

Criteria 3) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens. New structures must improve public services, avoid fragmentation, and enhance value for money, especially in critical areas like social care and public safety.

Criteria 4) Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

Local authorities must demonstrate meaningful local engagement, consider cultural identity, and show how local views have shaped the proposal.

Criteria 5) New unitary structures must support devolution arrangements.

Proposals should align with or enable devolution, detailing impacts on existing or planned Combined Authorities and ensuring appropriate governance and population ratios.

Criteria 6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

Plans must show how communities will be actively involved and empowered, building on existing engagement structures where relevant.

The proposed reorganisation to a unitary authority offers an opportunity to provide a better offer of support and service to residents with the following outcomes predicted:

- **Access to jobs** - Accelerated economic growth delivering increased prosperity for residents; creating high quality jobs and reducing the gap in average earnings in the north of the county
- **Healthy living** - Extended healthy life expectancy with access to joined-up health and social care services, tackling the key determinants of health particularly where they are lowest
- **Access to homes** - Increased supply and affordability of housing along with the associated infrastructure and school places, required for population growth
- **Opportunities to learn** - Lowering the barriers to opportunity, particularly by raising educational attainment and adult skills
- **Growing up safely** - Ensuring all children have a good start in life through reformed children's services with the emphasis on prevention and early intervention, and effective safeguarding wherever it is needed
- **Getting around** - Improved transport and digital connectivity, especially in rural areas
- **Environment** - Meeting environmental challenges head on through an integrated approach; and
- **Places to be proud of** - Improved town centres and high streets, building a pride of place

The report to which this EIA relates covers the response to that statutory invitation which requires full proposals for LGR to be submitted to government by 28 November 2025.

2. Please outline your proposed activity including a summary of the main actions.

The process for LGR:

1. The Government invitation was published 6 February 2025 and commenced the process of proposing LGR in Warwickshire.

2. Subsequently Cabinet in March 2025 approved the submission of the Warwickshire CC Interim Plan proposing a single unitary authority. See details [here](#).
3. A summary of the LGR proposal for Warwickshire will be considered by full Council on 14th October 2025.
4. Full Proposal to be finalised and shared with Cabinet for approval in November 2025.
5. The full formal unitary proposal for LGR is to be submitted by WCC no later than 28 November 2025.
6. The Government will carry out a statutory consultation in accordance with the requirements of the legislation – expected in Spring 2026.
7. Once a statutory consultation is concluded, Ministers will decide, subject to Parliamentary approval, which, if any, proposal is to be implemented, with or without modification.
8. Government will then draft legislation for structural change order for parliamentary approval.
 - This will specify arrangements for the first elections for the new unitary council/s, councillor numbers, the functions the new council has in the transition period and establish suitable governance arrangements for the transition period before new councils go live, by giving powers to the relevant executive or joint committee overseeing the transition.
9. Shadow elections to the new council(s) will take place in May 2027.
10. The process of transition will formally begin to the new council(s) in Warwickshire.
11. Vesting Day, new council(s) goes live in April 2028.

3. Who is this going to impact and how?

Customers	Members of the Public	Employees	Job Applicants
X	X	X	X
Other, please specify:	Businesses, sector stakeholders (police, fire and rescue, NHS, VCSE)		
How this will impact	The specific impacts of LGR are subject to the decision from MHCLG expected in summer of 2026. Outcomes, as referenced previously, have been identified alongside the projected financial impact on the organisation. Further details on the direct impacts and benefits of LGR will be realised throughout the reorganisation process, particularly as part of the development of the implementation phase, including development of a detailed transition plan.		

Section Two: Evidence

Please include any evidence or relevant information that has influenced the decisions contained in this EIA. This could include demographic profiles; audits; research; health needs assessments; national guidance or legislative requirements and how this relates to the protected characteristic groups and additional groups outlined in Section Four.

A – Quantitative Evidence

This is evidence which is numerical and should include the number people who use the service and the number of people from the protected characteristic groups who might be affected by changes to the service.

In the creation of the full proposal a wide suite of data has been used to evidence the document outlining the strategic plan for reorganisation in Warwickshire. This evidence base will be included in the final proposals that are submitted to Government before 28th November 2025.

At this stage, the Warwickshire protected characteristics data at a population level has been collated. The direct impact to specific demographics and accessibility considerations will be assessed as models are developed as part of implementation planning for the transition to the new Warwickshire council(s). It is considered that the impact on people with protected characteristics will become clearer, and will likely vary depending on the protected characteristic concerned, once the model for LGR has been decided and once we have moved to more detailing implementation planning involving specific service areas.

B – Qualitative Evidence

This is data which describes the effect or impact of a change on a group of people, e.g. some information provided as part of performance reporting.

High level engagement with residents has taken place via a public survey and also via the Voice of Warwickshire survey which was undertaken over the summer. At this stage in the development of final proposals, respondents were asked generic questions such as what was important to them in terms of LGR, and what did they see the challenges being. They were not asked about the specific forms of local government reorganisation, nor where they asked about the impact of reorganisation on them as individuals. The impact of the changes on specific groups of people will be considered further, especially once the Government's decision on the form of local government for Warwickshire has been confirmed.

Section Three: Engagement

Engagement with individuals or organisations affected by the proposed activity must take place. For further advice and support with engagement and consultations, click [here](#).

Has the proposed activity been subject to engagement or consultation with those it's going to impact, taking into account their protected characteristics and socio-economic status?

Outlined in the previous EIA, engagement for the development of the Interim Plan included: WCC cross-party member working group meetings and discussions between Warwickshire Council Leaders and Chief Executives.

Engagement with the District and Borough Councils has continued since the Interim Plan submission. WCC staff have also been engaged through a range of internal channels. Below is a list of external stakeholders/ groups that have been directly engaged;

	Voluntary and community sector: Bilateral conversations with groups and wider workshops Town and Parish Councils: - Regular engagement sessions with the Warwickshire Town and Parish Councils, supported by Warwickshire and West Midlands Association of Local Councils (WALC) and further sessions with a smaller working group. College and further education providers: workshop focusing on opportunities for social mobility, data considerations for achieving progress and strategy at a local level. Businesses and large-scale employers: workshop with Chamber of Commerce for the Coventry and Warwickshire Growth Hub and Federation of Small Businesses. Universities also attended this engagement, resulting in a commitment to engage regularly. Warwickshire Police Chief Constable and the Office of Police and Crime Commissioner: discussion of the impact of LGR for community safety and supporting community cohesion. Anchor Alliance (including Coventry City Council, University Hospital Trusts): Bilateral discussions between partners have discussed public service reform ambitions, identifying both short- and long-term ambitions. Health partners (including ICB and hospital trusts): Bilateral discussions have between partners to discuss the impact of LGR on the health system. Trade Unions: Bilateral engagement is ongoing with trade unions to discuss LGR and the subsequent impacts on local authorities workforce across Warwickshire.
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	Given the early stage of the LGR process, the engagement that has been undertaken is in respect to the whole Warwickshire population with specific impacts on those with protected characteristics to be explored in detailed EIAs for specific workstreams and activities associated with LGR as part of the implementation planning for the transition to the new Warwickshire authority(s).	
If YES, please state who with.	As above	
If NO engagement has been conducted, please state why.	N/a	
How was the engagement carried out?	Yes / No	What were the results from the engagement? Please list... Results of the engagement were varied dependent on the sector concerned and what is important to them in any LGR. Results are being collated to inform the final proposals submitted to Government.
Focus Groups	Yes	
Surveys	Yes	
Public Event	No	
Displays / Exhibitions	No	
Other (please specify)	Internal engagement sessions	Engagement across internal staff forums including senior leadership forum, one off briefings with services, engagement meetings.
Has the proposed activity changed as a result of the engagement?	No	Government has set a clear expectation that all two tier areas will be replaced by a single tier of local government

Have the results of the engagement been fed back to the consultees?	Yes	Feedback has been summarised as part of the sessions held, with opportunities for stakeholders to comment further as proposals are developed and confirmed
Is further engagement or consultation recommended or planned?	Ongoing	Ongoing engaged is planned as the LGR programme develops and is confirmed by Government
What process have you got in place to review and evaluate?	As part of the wider LGR programme management arrangements there will be direct benefits, performance measures and risk management analysis to assess progression through transitionary arrangements between current two-tier system and new council(s).	

Section Four: Assessing the Impact

Protected Characteristics and other groups that experience greater inequalities

What will the impact of implementing this proposal be on people who share characteristics protected by the Equality Act 2010 or are likely to be affected by the proposed activity? This section also allows you to consider other impacts, e.g. health inequalities such as deprivation, socio-economic status, vulnerable groups such as individuals who suffer socio-economic disadvantage, armed forces, carers, homelessness, people leaving prison, young people leaving care etc.

On the basis of evidence, has the potential impact of the proposed activity been judged to be positive (+), neutral (=), negative (-), or positive and negative (+&-), for each of the protected characteristic groups below and in what way?

N.B In our Guidance to EIAs we have provided you with potential questions to ask yourself when considering the impact of your proposed activity. Think about what actions you might take to mitigate / remove the negative impacts and maximize on the positive ones. This will form part of your action plan at Section Six.

	Impact type (+) (=) (-) or (+&-)	Nature of impact including health inequalities Will your proposal have negative or positive implications for each group, including on health inequalities? <i>Think about whether outcomes vary across groups and who benefits the most and least, for example, the outcome for a woman on a low income may be different to the outcome for a woman a high income.</i>	Mitigating Actions for Negative Impacts What can you do to mitigate any identified negative impacts or health inequalities? <i>Think about offering, for example, benefits advice, access to bus routes, community support, flexible opening times, creche facilities etc.</i> Use this column to form the basis of Section 6.
Age	=	Aim of LGR is to provide better outcomes alongside more effective and efficient service delivery for all, therefore, to be positively impacting all residents including those with protected characteristics. Detailed transition planning will follow the submission of the final proposal, in which detailed plans will be undertaken for each community of place and identity.	
Disability Consider: - Physical disabilities - Sensory impairments - Neurodiverse conditions (e.g. dyslexia) - Mental health conditions (e.g. depression) - Medical conditions (e.g. diabetes)	=	These characteristics will be considered within individual EIA assessments for each initiative, therefore considered to be 'impact neutral' at this stage until further detailed plans are made.	

Gender Reassignment	=		
Marriage and Civil Partnership	=		
Pregnancy and Maternity	=		
Race Including: • Colour • Nationality • Citizenship • Ethnic or national origins	=		
Religion or Belief	=		
Sex (Gender Identity)	=		
Sexual Orientation			
Groups who may require support: • Individuals who suffer socio-economic disadvantage • Armed Forces (WCC signed the Armed Forces	+	In particular, in relation to residents that suffer socio-economic disadvantage, a core outcome of LGR in Warwickshire is to increase access to jobs, with a direct aim of creating high quality jobs and reduce inequality within the county. Specific LGR outcome:	

Covenant in June 2012) • Carers • Homelessness • People leaving Prison • People leaving Care		• Access to jobs - Accelerated economic growth delivering increased prosperity for residents; creating high quality jobs and reducing the gap in average earnings in the north of the county	
Other Identified Health Inequalities (HI) Many issues can have an impact on health: is it an area of deprivation, does every population group have equal access, unemployment, work conditions, education, skills, our living situation, rural, urban, rates of crime etc.	+	Healthy living is a core outcome of LGR, aiming to increase life expectancy through joined up approaches to health-related services (health and social care). Metrics and wider health determinants will be measured as part of the aim for the positive outcomes of health inequalities in Warwickshire. • Healthy living - Extended healthy life expectancy with access to joined-up health and social care services, tackling the key determinants of health particularly where they are lowest	
Other Groups If there are any other groups			

Public Sector Equality Duty (PSED)

Public Authorities must have 'due regard' to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. Please evidence how your proposed activity meets our obligations under the PSED.

	Evidence of Due Regard
Eliminate unlawful discrimination (harassment, victimisation and other prohibited conduct):	Policy options and implementation planning for the transition period will be developed with this consideration in mind.
Advance equality of opportunity: This involves • removing or minimising disadvantages suffered by people due to their protected characteristics; • taking steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people, for example, taking steps to take account of people with disabilities; • encouraging people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.	Policy options and implementation planning for the transition period will be developed with this consideration in mind.
Foster good relations: This means tackling prejudice and promoting understanding between people from different groups and communities.	Policy options and implementation planning for the transition period will be developed with this consideration in mind.

Section Five: Partners / Stakeholders

Which sectors are likely to have an interest in or be affected by the proposed activity?	Yes / No	Describe the interest / affect
Businesses	Yes	Until the decision from the Government is finalised in relation to which model of reorganisation will be present in Warwickshire specific impacts will vary. Further detailed EIAs will cover this as part of the implementation planning for LGR.
Councils	Yes	
Education Sector	Yes	
Fire and Rescue	Yes	
Governance Structures	Yes	
NHS	Yes	
Police	Yes	
Voluntary and Community Sector	Yes	
Other(s): please list and describe the nature of the relationship / impact		Other stakeholders who are likely to have an interest in or be affected by the proposed activity are listed at Section 3 above

Section Six: Action Planning

If you have identified impacts on protected characteristic groups in Section Four, please summarise these in the table below detailing the actions you are taking to mitigate or support this impact. It is also important to consider how often this E.I.A. will be reviewed, and who is responsible for doing this. If you are not taking any action to support or mitigate the impact, you should complete the No Mitigating Actions section below instead.

Mitigating Actions

Consider:

- Who else do you need to talk to? Do you need to engage or consult?
- How you will ensure your activity is clearly communicated
- Whether you could mitigate any negative impacts or build on positive impacts for protected groups or health inequalities
- Whether you could do more to fulfil the aims of the PSED
- How you will monitor and evaluate the effect of this work
- Anything else you can think of!

Identified Impact	Action(s)	Timescale incl. evaluation and review date	Name of person responsible
	<i>Review and monitor EIA in line with developments, including engagement and consultation</i>		

No Mitigating Actions

Please explain why you do not need to take any action to mitigate or support the impact of your proposed activity.

None identified at this stage but will be updated following model design, consultation , confirmation from Government as to form of local government for Warwickshire and implementation planning.

Section Seven: Assessment Outcome

Only one of following statements best matches your assessment of this proposed activity. Please select one and provide your reasons.

No major change required	X	At this stage ongoing assessment and analysis is being undertaken as part of the development of the transition/ implementation programme, which is scheduled to commence by summer 2026 following a Government decision on the model of reorganisation for Warwickshire.
The proposal has to be adjusted to reduce impact on protected characteristic groups and/or health inequalities		
Continue with the proposal but it is not possible to remove all the risk to protected characteristic groups and/or health inequalities		

Stop the proposal as it is potentially in breach of equality legislation		
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Section Eight: Sign Off

N.B To be completed after the EIA is completed but before the area of work commences.

Name of person/s completing EIA	Dylan Gadd – Graduate Management Trainee, Resources Directorate Nic Vine, Head of Legal and Governance, Resources Directorate
Name and signature of Director	Sarah Duxbury - Director of Strategy, Planning and Governance, Resources Directorate.
Date	3 rd October 2025
Date of next review and name of person/s responsible	31 August 2026

Once signed off, please ensure the EIA is uploaded using the following form. Please name it “EIA [project] [service area] [year]”: [Upload Completed Equality Impact Assessments](#)

These will be stored on a [Sharepoint library](#) which Warwickshire County Council colleagues can access.

It is the responsibility of the individuals and teams who completed the EIA to review it regularly and to carry out any required activities in line with the action plan made.

For advice or support, please contact equalities@warwickshire.gov.uk.